Also, memorial of the Retail Association of the Denver Chamber of Commerce, protesting against the enlargement of the present Parcel Post System; to the Committee on the Post Office and Post Roads.

By Mr. TREADWAY: Petition of sundry citizens of Lee, Mass., favoring national prohibition; to the Committee on the Judiciary.

By Mr. TUTTLE: Petition of Elizabeth Petoff Dalker and voters of the fifth congressional district of New Jersey, protesting against national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of Plainfield and Dover, N. J., favoring national prohibition; to the Committee on the Judiciary.

By Mr. UNDERHILL: Petitions of the Central Federated Union of New York City and the International Union of the United Brewery Workmen of Cincinnati, Ohio, protesting against national prohibition; to the Committee on the Judiciary.

Also, petition of the Philadelphia (Pa.) Board of Trade, protesting against the passage of House bill 15657, the antitrust bill; to the Committee on the Judiciary.

By Mr. WALLIN: Petition of 1,007 citizens of the thirtieth congressional district of New York, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. WEAVER: Two petitions of sundry citizens of Murray County, Okla., relative to strike conditions in Colorado; to the Committee on the Judiciary.

By Mr. WILSON of New York: Petitions of William F. Worn & Co. and Lewis Reitler, of New York City, protesting against national prohibition; to the Committee on the Judiciary.

SENATE.

TUESDAY, *May 19, 1914.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we seek from Thee the spiritual equipment for life's great service. Unless Thy spirit go up with us, send us not up hence. For who is sufficient for these things? When we measure the length and breadth of human responsibility, we would despair if only intellectual power could be applied to the tasks that press upon us. We would be altogether unfit if we possessed only material wealth in a world like this. For out of the heart are the issues of life. We pray that Thy grace may come upon our hearts, fitting us in every thought and purpose and desire to do Thy will. Through the consecration of our lives by Thy grace may we accomplish much for the peace of the world and for the happiness of mankind. For Christ's sake. Amen.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. SMOOT and by unanimous consent, the further reading was dispensed with and the Journal was approved.

FRENCH SPOLIATION CLAIMS.

The VICE PRESIDENT laid before the Senate communications from the assistant clerk of the Court of Claims, transmitting certified findings of fact and conclusions of law filed under the act of January 20, 1885, in the French spoliation claims set out in the annexed findings by the court relating to the following causes:

The vessel brig *Little Sam*, Joseph White, master (H. Doc. No. 987); and

The vessel ship *Hare*, Nathan Haley, master (H. Doc. No. 988).

The foregoing findings were, with the accompanying papers, referred to the Committee on Claims and ordered to be printed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the following bills and joint resolution:

S. 65. An act to amend an act entitled "An act providing that the State of Wyoming be permitted to relinquish to the United States certain lands heretofore selected and to select other lands from the public domain in lieu thereof," approved April 12, 1910;

S. 1243. An act directing the issuance of patent to John Russell;

S. 5066. An act to increase the authorization for a public building at Osage City, Kans.;

S. 5552. An act to amend an act entitled "An act for the relief of Gordon W. Nelson," approved May 9, 1914; and

S. J. Res. 139. Joint resolution to authorize the President to grant leave of absence to an officer of the Corps of Engineers for the purpose of accepting an appointment under the Government of China on works of conservation and public improvement.

The message also announced that the House had passed the bill (S. 4096) to amend the act authorizing the National Academy of Sciences to receive and hold trust funds for the promotion of science, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the bill (S. 4632) for the relief of settlers on the Fort Berthold Indian Reservation, in the State of North Dakota, and the Cheyenne River and Standing Rock Indian Reservations, in the States of South Dakota and North Dakota, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House disagrees to the amendment of the Senate to the amendment of the House No. 3 to the bill (S. 4377) to provide for the construction of four revenue cutters, and insists upon its amendment to the title; asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. ADAMSON, Mr. SIMS, and Mr. STEVENS of Minnesota managers at the conference on the part of the House.

The message further announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 5304. An act to increase the efficiency of the aviation service of the Army, and for other purposes;

H. R. 9042. An act to permit sales by the supply departments of the Army to certain military schools and colleges;

H. R. 9899. An act to authorize the laying out and opening of public roads on the Winnebago, Omaha, Ponca, and Santee Sioux Indian Reservations in Nebraska;

H. R. 10835. An act to authorize the Secretary of the Treasury to consolidate sundry funds from which unpaid Indian annuities or shares in the tribal trust funds are or may hereafter be due;

H. R. 14189. An act to authorize the construction of a bridge across the Missouri River near Kansas City;

H. R. 14377. An act to amend section 4472 of the Revised Statutes;

H. R. 15190. An act to amend section 103 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, as amended by the act of Congress approved March 3, 1913; and

H. J. Res. 249. Joint resolution for the appointment of George Frederick Kunz as a member of the North American Indian Memorial Commission.

COAL LANDS IN ALASKA.

Mr. WALSH. Mr. President, I send to the desk a communication from the Secretary of the Interior, with accompanying papers, which I ask may be read.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

DEPARTMENT OF THE INTERIOR,
Washington, May 15, 1914.

To the Members of Congress:

What am I to say to this man? If the Alaskan coal-leasing bill becomes law this session the answer will be easy.

FRANKLIN K. LANE.

—

SAN FRANCISCO, *April 28, 1914.*

Hon. FRANKLIN K. LANE,
Secretary of the Interior, Washington, D. C.

DEAR SIR: I am shipping a dredge into Alaska to work a placer-mining claim owned by me on Cache Creek, in the Yetna mining district in southwestern Alaska. In the vicinity of my mining claim there are several veins or outcroppings of coal. I would like to get permission from the Government to extract a sufficient amount of this coal to burn in the operation of the dredge for mining purposes. These veins or outcroppings of coal are along the Short Creek, a tributary to Cache Creek, and this coal is suitable for use for mining purposes but is not a marketable coal.

It is not my purpose to extract any of this coal for any commercial purposes or for sale, but simply for the purpose of burning in the operation of my dredger.

There is also some coal of the same character on the Yetna River, and I would like permission to extract sufficient amount of this coal to burn in the stern-wheel river boat for transportation of my dredger to MacDougal Station, near my mining property.

I do not want to violate any of the rules and regulations of the Interior Department, or any law in relation to the extraction of coal from coal lands in Alaska, and for this reason I would like to have a permit to use the coal mentioned for the purpose stated.

If it is necessary to fill out any blanks or forms used by the Government I would be pleased to have you forward these blanks to me at Susitna Station, Alaska.

Yours, truly,

J. C. MURRAY.

—

DEPARTMENT OF THE INTERIOR,
GENERAL LAND OFFICE,
Washington, May 15, 1914.

RELATIVE TO COAL LANDS IN ALASKA.

Mr. J. C. MURRAY,
Claus Spreckels Building, San Francisco, Cal.

MY DEAR SIR: In reply to your letter of April 28, 1914, you are advised that on November 12, 1906, by order of the department all public lands in the District of Alaska in which workable coal was known to occur were withdrawn from entry, filing, or selection under the coal-land law. The circular of May 16, 1907, permitted parties who

had initiated valid coal claims prior to withdrawal to complete their entries and acquire title to the lands covered thereby. By Executive order of July 2, 1910, the withdrawal of November 12, 1906, was ratified, confirmed, and continued in full force and effect, and the public lands and lands in national forests in the District of Alaska in which workable coal is known to occur were withdrawn from location, settlement, sale, or entry and reserved for classification and in aid of legislation providing for the disposal of coal lands. This withdrawal is still in force, and there has been as yet no law passed by Congress providing for the disposal of the coal deposits in these withdrawn lands. There is accordingly no authority of law for the granting of permits to parties to mine coal on the public lands in Alaska for use in the operation of a dredger or for any purpose.

There is now pending before Congress certain legislation which provides for a system of leasing the public coal lands in Alaska, and until Congress provides some method by which the public coal lands in that district may be opened up and developed this office can grant you no relief.

Very respectfully, CLAY TALLMAN,
Commissioner.

Mr. WALSH. In the same connection I send to the desk a brief editorial from the Washington Times of May 16, and ask that it be read.

There being no objection, the matter referred to was read, as follows:

PASS THESE MEASURES

There may be some excellent reasons for hurrying the adjournment of Congress, but none of them is good enough to justify ending the session before the conservation measures now reported from the House Public Lands Committee shall have passed. With all deference to pet features of the administration program, the opinion is ventured that more people are concerned in behalf of these conservation bills than in behalf of trades commission and antitrust acts.

For a decade or thereabouts these problems of dealing with the public lands, both in the States and in Alaska, have been before Congress and the country. They have been considered from every angle. There is no need for longer delay. Secretary Lane has given his approval to a series of measures for control of water powers, Alaskan lands, and other details of public-land administration. There is every reason for confidence that the measures are safe and desirable. They have been reported from the House committee. The Western States and the great northwestern territory need to have their opportunity of progress and development restored to them, and these measures will do very much toward restoring it.

President Wilson has indicated that he would be glad to see these bills become laws at the current session, but it is not understood that he includes them in the program on which he insists. Probably they will not be passed unless they are brought within the irreducible minimum of Executive demands. There is enough and violent opposition to prevent their passage unless the whole power of the administration is placed behind them. Every consideration of the real public interest of the great West demands that this be done.

CALLING OF THE ROLL.

Mr. HOLLIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hitchcock	Norris	Smith, S. C.
Bankhead	Hollis	O'Gorman	Smoot
Borah	Hughes	Overman	Sterling
Brady	Johnson	Page	Stone
Brandegee	Jones	Pittman	Sutherland
Bristow	Kenyon	Poindexter	Thornton
Bryan	Kern	Pomerene	Tillman
Burleigh	La Follette	Ransdell	Townsend
Burton	Lane	Reed	Vardaman
Catron	Lea, Tenn.	Robinson	Walsh
Chamberlain	Lee, Md.	Saulsbury	West
Crawford	Lippitt	Shepard	Williams
Culberson	Lodge	Sherman	Works
Cummins	McCumber	Smith, Ariz.	
Dillingham	Martin, Va.	Smith, Ga.	
Gallinger	Martine, N. J.	Smith, Md.	

Mr. TOWNSEND. The senior Senator from Michigan [Mr. SMITH] is absent on important business. He is paired on all votes with the junior Senator from Missouri [Mr. REED]. I desire this announcement to stand for the day.

The VICE PRESIDENT. Sixty-one Senators have answered to the roll call. There is a quorum present.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT presented petitions of sundry citizens of McPherson, Hays, and Sterling, in the State of Kansas; of Chicago, Ill.; of Saxonburg and Pittsburgh, Pa.; of Atlantic Highlands, N. J.; of St. Joseph and Amoret, Mo.; of Portland, Oreg.; of Fedora, S. Dak.; of Santa Ana, Cal.; of Longmont, Colo.; and of West Charlton, N. Y., praying for the adoption of an amendment to the Constitution to prohibit polygamy, which were referred to the Committee on the Judiciary.

He also presented a petition of the Philadelphia Yearly Meeting of the Religious Society of Friends, of Pennsylvania, praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. HITCHCOCK presented petitions of sundry citizens of Lincoln and Chadron, in the State of Nebraska, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. MARTINE of New Jersey. Mr. President, I have received a letter from some of my constituents in New Jersey, accompanied by a preamble and resolution adopted by the Americus Association, of Elizabeth, N. J., with the request that they be incorporated in the RECORD. I ask that the resolution may be appropriately referred and printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

AMERICUS ASSOCIATION,
83 SOUTH PARK STREET,
Elizabeth, N. J.

Whereas the President of the United States, after watchful waiting for the past several months over the condition of affairs in Mexico in looking after the interest of our citizens in that country and, if possible, to avoid any severe clash with our neighbors on our southern border, and living in hope the trouble existing in Mexico would be adjusted by her people in such a manner as would be satisfactory to both the people of Mexico and the United States:

Whereas the self-made dictator Huerta has seen fit to not only oppose every good measure advanced by President Wilson since said Huerta assumed the Presidency of Mexico, but has from time to time made the lives of our citizens dangerous and their financial interest interfered with, which forced our President to land our soldiers on Mexican soil and, if necessary, to declare war against the said Huerta: Therefore be it

Resolved, That we, the members of the Americus Association, of Elizabeth, N. J., here assembled in the celebration of the fortieth anniversary of our association, pledge ourselves to support the President of the United States in the stand he takes on the Mexican question and that we hold ourselves ready to supply and fill any position the governor of New Jersey sees fit to call us in upholding the respect of our country and the honor of our flag.

Mr. BRISTOW presented petitions of sundry citizens of Kansas, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. GALLINGER presented the petition of Charles A. Wing and sundry other citizens of New Hampshire, praying for an explicit indorsement of the President's pledge made at Mobile, Ala., that the United States would not seek expansion by the conquest of contiguous territory, which was referred to the Committee on Foreign Relations.

Mr. SMITH of Arizona presented memorials of sundry citizens of Winkelman, Dos Cabezos, and Florence, in the State of Arizona, remonstrating against national prohibition, which were referred to the Committee on the Judiciary.

Mr. BRANDEGEE presented resolutions of the common council of Stamford, Conn., favoring the enactment of legislation to provide pensions for civil-service employees, which were referred to the Committee on Civil Service and Retrenchment.

Mr. CATRON presented memorials of sundry citizens of Santa Fe, N. Mex., remonstrating against national prohibition, which were referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of McAlister, N. Mex., praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. CRAWFORD presented a petition of the Commercial Club of Helena, Mont., praying for the enactment of legislation to provide a prompt issuance of patents by the Department of the Interior to homestead settlers, which was referred to the Committee on Public Lands.

Mr. POINDEXTER presented petitions of sundry citizens of Spokane, Wash., praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. TOWNSEND presented memorials of sundry citizens of Michigan, remonstrating against national prohibition, which were referred to the Committee on the Judiciary.

He also presented petitions of sundry citizens of Michigan, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. WORKS presented a memorial of sundry citizens of Sacramento, Cal., and a memorial of the French Hospital Society, of San Francisco, Cal., remonstrating against national prohibition, which were referred to the Committee on the Judiciary.

He also presented petitions of the convention of the Epworth Leagues of Los Angeles, Cal., and of sundry citizens of Healdsburg, Cal., praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of Stockton, Cal., praying for the enactment of legislation to further restrict immigration, which was ordered to lie on the table.

Mr. COLT presented a petition of sundry citizens of Block Island, R. I., praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which was referred to the Committee on the Judiciary.

Mr. JONES presented the petition of Arthur Simmons, president of the American Foreign Labor Exclusion League, of Tacoma, Wash., praying for the enactment of legislation to further restrict immigration, which was ordered to lie on the table.

Mr. OWEN presented a petition of sundry citizens of Nowata, Okla., praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. JOHNSON presented a petition of Local Branch 166, National Association of Letter Carriers and Postal Employees, of Biddeford, Me., and a petition of sundry citizens of the State of Maine, praying for the enactment of legislation to provide compensatory time for Sunday services performed by employees of the Post Office Department, which were referred to the Committee on Post Offices and Post Roads.

He also presented a petition of sundry citizens of Eden, Me., praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which was referred to the Committee on the Judiciary.

Mr. SHIVELY presented a petition of Local Lodge No. 136, Brotherhood of Railroad Trainmen, of Fort Wayne, Ind., praying for the enactment of legislation granting pensions to civil-service employees, which was referred to the Committee on Civil Service and Retrenchment.

He also presented memorials of J. M. Bogner, Charles Snow, Paul Owen, and 223 other citizens of Vigo County, and of Otto Kenney, Frank Gallagher, C. W. Allen, and 188 other citizens of Fort Wayne, in the State of Indiana, remonstrating against national prohibition, which were referred to the Committee on the Judiciary.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BRISTOW:

A bill (S. 5596) granting an increase of pension to Andrew H. McWhorter (with accompanying papers);

A bill (S. 5597) granting a pension to Lucinda R. Hanson (with accompanying papers); and

A bill (S. 5598) granting an increase of pension to Christian C. Fleck (with accompanying papers); to the Committee on Pensions.

By Mr. DILLINGHAM:

A bill (S. 5599) granting a pension to Clara Branch (with accompanying papers); to the Committee on Pensions.

By Mr. MARTINE of New Jersey:

A bill (S. 5600) authorizing the appointment of Maj. George A. Armes, retired, to the rank and grade of colonel on the retired list of the Army without increase of pay; to the Committee on Military Affairs.

By Mr. PITTMAN:

A bill (S. 5601) to establish a commission form of government in the administration of national affairs in Alaska, and for other purposes; to the Committee on Territories.

By Mr. RANSDELL:

A bill (S. 5602) for the relief of heirs or estate of Joseph Hernandez, deceased (with accompanying papers), to the Committee on Claims.

By Mr. SMOOT:

A bill (S. 5603) granting a pension to Alice Tumbridge; and

A bill (S. 5604) granting a pension to Lewis Larsen; to the Committee on Pensions.

A bill (S. 5605) authorizing the Secretary of War to make certain donation of condemned cannon and cannon balls; to the Committee on Military Affairs.

By Mr. BURLEIGH:

A bill (S. 5606) granting a pension to William B. Wall; to the Committee on Pensions.

By Mr. CHAMBERLAIN:

A bill (S. 5607) for the relief of Henry von Hess (with accompanying papers); to the Committee on Military Affairs.

By Mr. JONES:

A bill (S. 5608) providing for the building of roads in the diminished Colville Indian Reservation, State of Washington; to the Committee on Indian Affairs.

By Mr. COLT:

A bill (S. 5609) granting an increase of pension to Sarah J. Tillinghast (with accompanying papers); to the Committee on Pensions.

By Mr. JOHNSON:

A bill (S. 5610) granting a pension to Clara A. Packard (with accompanying papers);

A bill (S. 5611) granting an increase of pension to Benjamin F. Neddo (with accompanying papers); and

A bill (S. 5612) granting an increase of pension to Henry M. Bennett (with accompanying papers); to the Committee on Pensions.

By Mr. SHIVELY:

A bill (S. 5613) granting an increase of pension to James D. Brooks; to the Committee on Pensions.

AMENDMENTS TO APPROPRIATION BILLS.

Mr. BRADY submitted an amendment authorizing the accounting officers of the Treasury to credit the account of William Schuldt, of Lewiston, Idaho, late deputy United States marshal, with the sum of $101 expended by him in traveling on official business, etc., intended to be proposed by him to the general deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

Mr. BRYAN submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was referred to the Committee on Commerce and ordered to be printed.

Mr. BANKHEAD submitted two amendments intended to be proposed by him to the river and harbor appropriation bill, which were referred to the Committee on Commerce and ordered to be printed.

Mr. JAMES submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was referred to the Committee on Commerce and ordered to be printed.

SURVEY OF FLORIDA WATERS.

Mr. BRYAN. For my colleague [Mr. FLETCHER] I submit a resolution and ask unanimous consent for its present consideration.

The resolution (S. Res. 365) was read, as follows:

Resolved, That the Secretary of War be, and hereby is, directed to furnish the Senate with all of the data and information available touching the improvement of the navigable waterway from the navigable waters of the Caloosahatchee River to the navigable waters of Lake Okechobee, Fla., heretofore procured under the act of Congress approved June 25, 1910, providing for a survey of the Kissimmee and Caloosahatchee Rivers and Lake Okechobee and its tributaries, with a view to adopting a plan of improvement of said waters which will harmonize as nearly as may be practicable with the general scheme of the State of Florida for the drainage of the Everglades.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. BURTON. I should like to understand the resolution. Does it provide for the appropriation of a certain amount of money?

Mr. BRYAN. It is simply a resolution calling upon the Secretary of War for certain information.

Mr. BURTON. Is it a Senate resolution or a joint resolution?

Mr. BRYAN. It is a Senate resolution, calling upon the Secretary of War for information.

Mr. BURTON. I will state that some years ago the question was several times raised whether under the law the War Department was authorized to submit a report merely on a Senate resolution, and the decision was in the negative. That was along about the year 1903 or 1904. To whom is this resolution addressed?

Mr. BRYAN. It is addressed to the Secretary of War.

Mr. BURTON. I suppose when it reaches the Secretary of War he will consider the question. There are very valid objections to allowing a report to be made merely on a resolution of either House. It involves a certain degree of partiality. I shall not, however, object. Let the question be tried out hereafter.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

The resolution was considered by unanimous consent and agreed to.

TRUSTS AND THE CONSTITUTION.

Mr. SMOOT. I have a copy of a monograph by Hugo Clark and Bartlett Brooks on the trusts and the Constitution. I present it by request, and I ask that it may be referred to the Committee on Printing with the view to having it printed as a public document.

The VICE PRESIDENT. Without objection, that action will be taken.

TRANSPORTATION OF PARCEL-POST MATTER.

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a preceding day, which will be stated.

The SECRETARY. Senate resolution 363, by Mr. SMITH of Georgia, requesting the Joint Committee on Postage on Second-Class Mail Matter and Compensation of Transportation of Mails to report.

Mr. SMITH of Georgia. I desire that the resolution may go over for two or three days. I ask that it may be permitted to go over, without prejudice, until Saturday next. I hope we may have some information by that time.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the resolution goes over without prejudice, to be handed down at the end of morning business on Saturday next.

AFFAIRS IN MEXICO.

Mr. WILLIAMS. Mr. President, there have been very many criticisms of the President of the United States in his course in the Mexican trouble; some by Huerta because the President was going too rapidly and some by Americans because he was not going rapidly enough. I desire to read and to put into the RECORD a letter which I received this morning from a personal acquaintance, of whose character and responsibility I have full knowledge, and upon whose judgment I have a great deal of reliance. It is a very short letter, and I shall take the liberty of reading it. I purposely shall not put the name of the writer into the RECORD, because he is in the service and it might be thought improper for him to be writing letters upon a political question. He says:

> If you were down here and in close touch with the whole thing you could easily see why the efforts of the President to compose the trouble is so roundly condemned. The noisiest thing in Mexico is an American dollar that feels itself in jeopardy. I met one of these blatant so-called refugees last night and had a talk with him. He was for marching on the city at once. I pressed him down, found he had not paid a cent of taxes in the United States for 15 years, had not voted in the States in 15 years, did not intend to return to the United States, but did cuss out all of you gentlemen who are opposed to what will certainly be a war of conquest, that ought never to be started to appease dollar-grabbing fortune hunters, who, having taken a gambler's chance and the game having gone against them, want Uncle Sam to step in and pull their chestnuts out of the fire.
>
> The assimilation of these people will be impossible, and to take up the task of governing them will be another Philippine elephant of larger proportions and more difficult to handle. Wee Willie Hearst has a large corps of men here making mountains out of molehills for the purpose of inflaming the public mind, in order that his investments in lands in Mexico may be enhanced in value. It is a rotten game, and the majority of the newspaper men here do not want to see war. The suffering it would entail on these people to march on their capital would be enormous, and the picture Gambetta drew of the beggar at a barracks door will be realized if we do not stop this great drain on our resources to take care of the military.
>
> We can not take Mexico without the loss of more than 200,000 men, and it will require around $10,000,000,000 to subjugate the people. I do hope that you and the other thoughtful leaders of the Senate will pause before plunging this country in a war of conquest to save gamblers' dollars.
>
> Every officer that I have met and all the enlisted men are opposed to war. There are fewer jingoes in the Army and Navy than any place I know of. Now, this does not mean a lack of patriotism and a desire that respect be shown the flag, but it does mean an appreciation of what war means.
>
> It would be cheaper to take every refugee out of here, pay him every dollar due him, pension him for life, and let his blatant mouth be heard at home, as insufferable as that would be, rather than engage in war.

The remainder of the letter is personal.

Mr. BORAH. Mr. President, I wish to ask the Senator from Mississippi if the name of the gentleman who wrote that letter is to be inserted in the RECORD?

Mr. WILLIAMS. The Senator from Mississippi announced at the very beginning that he would not give his name, because he is engaged in the service, and it might be thought improper for him to be writing letters upon political subjects.

Mr. BORAH. I think myself that it is very improper for him to write that kind of a letter without his name being given.

Mr. WILLIAMS. The Senator from Mississippi also announced that he was a personal acquaintance of his and a man of the highest character and good judgment.

Mr. BORAH. That is sufficient; but I disagree with his reflection upon all citizens of the United States who may be in Mexico.

Mr. WILLIAMS. And it has been put in the RECORD as a part of my remarks.

Mr. GALLINGER. In this connection, Mr. President, I will say that I have a letter on my table, received two days ago, from a gentleman who has not been an exploiter in Mexico, but who has been in charge of an industry in which the people of New Hampshire have invested $400,000, and he writes a very different kind of a letter from the one the Senator from Mississippi has read. I have hesitated to put it in the RECORD, but I am not quite sure that I will not do so. It is not a criticism of the President, I will say.

Mr. WILLIAMS. I hope the Senator will put it in, and I hope that all letters from people with personal financial interests will go in the RECORD, to show the true character of the opposition to the President's policy.

Mr. GALLINGER. If the Senator knew the gentleman to whom I refer, he would not cast any slur upon him——

Mr. WILLIAMS. I have cast none.

Mr. GALLINGER. Because he has been engaged in legitimate business in Mexico and he ought to have been protected to a greater extent than he has been. He makes no criticism upon the President or the State Department, but simply details facts concerning the condition of things in a portion of that territory where the men who are in command seem to be in high——

Mr. WILLIAMS. I hope the Senator from New Hampshire will remember that what I have said and what I have read refers only to those who have made criticisms upon the President; so that if his correspondent makes none, there is no reference to him.

Mr. GALLINGER. Of course the Senator's correspondent did not name anyone who had made criticisms. However, at the suggestion of the Senator, I think to-morrow or the next day I shall ask that the letter from my correspondent may be read and go into the RECORD.

PANAMA CANAL TOLLS.

Mr. THORNTON. Mr. President, I ask that the unfinished business be laid before the Senate for consideration.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 14385) to amend section 5 of an act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone, approved August 24, 1912.

Mr. GALLINGER. Mr. President, on a former occasion I somewhat briefly discussed the bill now before the Senate, which proposes the repeal of the toll-exemption provision of the Panama Canal act. Since that time the matter has been freely discussed in the public press, and many elaborate arguments have been made, on both sides of the question, in this body. I now propose to further analyze the subject, with a view of elucidating the contention of some of us that repeal is unnecessary, impolitic, and not demanded by any just interpretation of existing treaties.

WHO IS URGING THE REPEAL?

In entering upon a discussion of this question it is proper to inquire how our attention was first directed to the supposed necessity for the repeal of the exemption clause of the Panama Canal act; from what quarter the appeal emanated; and the reasons advanced which should cause us to retreat from the position taken at the time of the passage of the act.

It seems that on July 8, 1912, Mr. A. Mitchell Innes, chargé d'affaires of Great Britain, addressed a note to our Secretary of State calling attention to the various proposals then being made to relieve American shipping from the burden of Panama Canal tolls, and stating that such exemption would be considered by Great Britain as contrary to the provisions of the Hay-Pauncefote treaty. Mr. Innes gave as the opinion of His Majesty's Government that there is no "difference in principle between charging tolls only to refund them and remitting tolls altogether," but in referring to the possibility of the remission of tolls being accorded only to our vessels engaged in the coastwise trade Mr. Innes says:

> If the trade could be so regulated as to make it certain that only bona fide coastwise traffic which is reserved for United States vessels would be benefited by this exemption it may be that no objection could be made.

It is proper to add that after making the above suggestion Mr. Innes said that, in his judgment, it would be impossible to frame regulations which would prevent the exemption from resulting in fact in a preference to United States shipping, and consequently in an infraction of the treaty, but it occurs to me that that objection can easily be overcome by a slight amendment to the Panama Canal act, if indeed any amendment is necessary.

Mr. WILLIAMS. Mr. President, if the Senator will pardon me a moment, I should like to ask him a question for information as to his view upon it. The language the Senator has just read says "bona fide coastwise trade." Does the Senator think or does he not think that any coastwise trade could be bona fide where the ships engaged in it have to touch at two foreign ports, in this particular case Colon and Panama?

Mr. GALLINGER. Why, Mr. President, I assume that the coastwise ships would not of necessity have to touch at those ports for commercial purposes, and the passing of those ports on their way through the canal would not take from them their bona fide coastwise character.

After the receipt of the note from Mr. Innes the Panama Canal act, which contains the objectionable exemption, was passed on August 24, 1912. The secretary of state for foreign affairs of Great Britain, Sir Edward Grey, then forwarded a detailed statement to this Government amplifying the former

note of Mr. Innes and taking exception to the memorandum of President Taft, which accompanied the approval of the act.

From that time until January 21, 1913, little was heard of the matter, and most of those who gave the subject any thought presumed that inasmuch as the exemption was to be confined to the coastwise traffic of the United States no further objection would be made by Great Britain. On the last-mentioned date, however, the senior Senator from New York [Mr. ROOT] delivered a very exhaustive speech in the Senate, in which he reaffirmed and emphasized the previous contention of Great Britain, arguing that under the Hay-Pauncefote treaty we had no right to grant toll exemption to our coastwise or other shipping, and contending that the whole matter should be submitted to arbitration. This speech was seized upon by the Carnegie Peace Foundation, and by the expenditure of many thousands of dollars hundreds of thousands of copies of the speech were distributed broadcast over this country and England. This unexpected turn of affairs gave fresh impetus to the British contention, with the result that on February 27, 1913, the British ambassador called attention to the subject again in a note to the Secretary of State. The matter was overshadowed by the tariff and currency legislation during the special session of Congress last summer, but at the beginning of the present year it was again brought forward and bills introduced having in view the repeal of the exemption clause of the act.

On March 5, 1914, President Wilson delivered an address to the Senate and House on the subject, which without doubt is the most remarkable presidential utterance that has ever been presented to Congress. One searches the message in vain for a single valid reason to warrant us in consenting to the repeal which the President advocated. Instead we were told that "We ought to reverse our action without raising the question whether we were right or wrong," and that, using the President's words, "I shall not know how to deal with other matters of even greater delicacy and nearer consequence if you do not grant it to me in ungrudging measure." The message is full of mystery and absolutely lacking in any statement upon which, maintaining our self-respect, we could predicate a reversal of an action affecting the welfare of this country.

It will thus be seen that the sources from which nearly all of this agitation springs are Great Britain and the President of the United States. No other nations have voiced a protest to the exemption of our coastwise ships from tolls, although it would be supposed that all nations would have an interest in the matter directly proportional to the amount of their shipping using the canal. The American people as a whole have certainly made no demand for this repeal, and beyond those who have blindly followed the President in his appeal to redeem what he chooses to call "the words of our own promises" the rallying cry is heard to save for Americans that which was built with American money, on American territory, and by American brains.

WHY ENGLAND FAVORS REPEAL.

In addition to the direct benefit to British and other foreign shipping which would result from the repeal of the exemption provision, I desire to call attention to another economical advantage which will accrue to English manufacturers. The Pacific coast producers of oil, wheat, flour, lumber, fruit, etc., are planning to make shipments direct to England and the Continent by way of the Panama Canal. In returning these ships will bring to the Pacific coast the products of the cheap labor of the factories of England, Germany, and other countries, which will be sold to the people of the western coast. If the exemption provision is repealed the English shipper will be able to add over a dollar per ton to the price of his shipments and still compete with the goods shipped from our Atlantic coast via the canal to the Pacific coast which would have to pay a toll of $1.20 per ton. Of course, this means an enormous profit to the English producer, and he adds his demand for repeal to that of the British shipowner.

NO PROTESTS FROM OTHER NATIONS.

We are constantly assailed with the statement that all the nations of the world are siding with Great Britain as against the United States in this matter, but when pressed for some specific instance where a foreign nation other than Great Britain has entered a protest the proponents of repeal are silent.

The President in his recent message said:

Whatever may be our own differences of opinion concerning this much-debated measure, its meaning is not debated outside the United States. Everywhere else the language of the treaty is given but one interpretation, and that interpretation precludes the exemption I am asking you to repeal.

The President offers no proof of this statement or of any other statement in his remarkable address, and Congress and the public are expected to swallow it without a murmur.

Mr. REED. Mr. President——

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from Missouri?

Mr. GALLINGER. I should prefer to continue, Mr. President, but I am always accommodating.

Mr. REED. I wish to ask the Senator just one question. Did he ever in his life know of a case where, to illustrate, a farmer owned a piece of ground, and the public were claiming the right to pass over it, where all the public would not be for their own interest and against the farmer's interest? And is not that pretty nearly a parallel with the present situation, when all the nations of the earth are said to be on one side and our Nation on the other?

Mr. GALLINGER. Mr. President, doubtless that is so; and yet, even admitting that to be so, we have no proof whatever, and no proof has been submitted from any quarter, that any other nation has taken exception to the Panama Canal act so far as the exemption provision is concerned. We are left absolutely and totally in the dark as to what position those nations may take regarding it.

Mr. REED. What I meant by my illustration was that whether they had taken the position or not it would be very natural for them to take it, as their own interest would lie there; and it does not appeal to me as a very strong argument even if they do.

Mr. GALLINGER. I agree with the Senator on that point, and it is more remarkable, if they feel as Great Britain does, that they have not joined in the protest of Great Britain submitted to our State Department.

The Senator from Massachusetts [Mr. LODGE] in his comprehensive speech a short time ago said:

The opinion of foreign nations, with hardly an exception, and that only in the case of some individuals, is against the interpretation which I believe to be correct.

What specific, authoritative proof is there that "the opinion of foreign nations" is against our interpretation of the treaty? What foreign Governments have objected? The Senate is not in possession of any correspondence, if there be such, which would indicate such a contention. So far as any present official information goes the only objection to the exemption of American coastwise ships has come from Great Britain.

The foremost German authority on shipping matters, Count von Reventlow, after a discussion of the tolls question, summarizes his views as follows:

It has been years, if, indeed, such a case ever occurred before, since the United States so openly backed down before England—years since it so openly felt and said it no longer was absolute in its own sphere, but dependent upon other powers.

Again, the Law Magazine and Review of London, in a very lengthy discussion of the subject, recognizes the right of the United States to discriminate in favor of its own vessels passing through the Panama Canal, as follows:

To sum up, it is reasonably arguable:

(a) That the United States can support its action on the precise words of the material articles of the treaty, that its case is strengthened by reference to the preamble and context, and that its case is difficult to challenge on ground of general justice;

(b) That there is no international obligation to submit the construction of its legislative act to any process of arbitration; and

(c) That any aggrieved party has an appropriate and impartial and a competent tribunal in the Supreme Court of the United States.

The full article will be found in the London Law Review for November, 1912, volume 38, pages 1 to 34.

Other citations might be mentioned which make it appear that the leading authorities in the legal profession, as well as experts on the subject of shipping, not only in England but in other countries, admit that our position is based on equity and logic. Undoubtedly many foreign newspapers, not only in Great Britain but on the Continent, are hostile to the exemption of American coastwise ships at Panama. But these same newspapers and the influences behind them—the great European steamship syndicates and combinations—were much more violently and persistently hostile to the ocean mail bills for American lines to South America and the Orient. These foreign interests do not relish the idea of any American interference with their monopoly of ocean navigation. They have very good reason to dread the result of national encouragement of any kind to American shipbuilding and shipowning, and they know it. If the Senator from Massachusetts waits for some effective legislation in favor of American shipping which the European press and the European steamship combinations will not criticize and object to, he will wait indefinitely.

NO PROTEST MADE WHEN EXEMPTION OF TOLLS WAS GRANTED TO THE REPUBLICS OF PANAMA AND COLOMBIA.

In the Hay-Herran treaty with Colombia, ratified by the Senate on May 17, 1908, the following words are found:

The Government of Colombia shall have the right to transport over the canal its vessels, troops, and munitions of war at all times without paying charges of any kind.

After the ratification of that treaty the Republic of Panama came into existence, and the Hay-Bunau-Varilla treaty with that country was ratified by the Senate on February 23, 1904. It contains the following words:

The Government of the Republic of Panama shall have the right to transport over the canal its vessels and its troops and munitions of war in such vessels at all times, without paying charges of any kind.

It is also a fact that the treaty recently negotiated by the Secretary of State with Colombia contains a provision similar to those I have just quoted, and we are thus treated to the remarkable spectacle of the administration, presumably the guardian of the rights of the American people, granting exemption of tolls through the Panama Canal to a foreign country and in the same voice demanding that the United States, the builder and owner of the canal, shall be denied that privilege.

I have not heard of any protests having been lodged with this country because of the provisions in these treaties with Panama and Colombia. Can it be possible that we can discriminate in favor of the shipping of those countries and at the same time be prevented from making a similar concession to our own commerce?

The Senator from Massachusetts answers this argument as follows.

This grant, whether limited or not, was part of the compensation for the title obtained by the United States, without which the canal could not have been built, and does not therefore sustain the arguments in support of the exemption of the merchant vessels of the United States from tolls, because unless we had secured our title and building rights from Panama there would have been no canal. No nation could and no nation did object to the consideration paid to Panama for our rights and title on the Canal Zone.

The reply to this would seem to be that the Hay-Pauncefote treaty was in effect at the time of the ratification of the treaties with Colombia and Panama, and therefore such a consideration was not in our power to give. Suppose at some future time we became financially indebted to another country; according to this argument we could give as part consideration the right to use the Panama Canal free of tolls. So we have this preposterous situation: Under the "all nations" clause of the Hay-Pauncefote treaty we grant, without protest from Great Britain, exemption of tolls to the ships of certain foreign countries, but are prevented from giving the same concession to the vessels of our own country.

The Senator from Massachusetts quotes article 19 of the Panama treaty, relating to the exemption of tolls to that Republic, which I read a moment ago, and then says:

* * * article 19 applies apparently only to the vessels of the Republic—that is, naval vessels and those carrying troops and munitions of war.

The Senator argues from this that, as nobody claims that we have no right to pass our Government-owned vessels through the canal free, the treaty with Panama can not be used as an argument in support of exempting tolls for our merchant ships. In this connection it is interesting to note that on June 19, 1902, six months after the ratification of the Hay-Pauncefote treaty, the same Senate, by a vote of 67 to 6, passed the bill providing for the building of the Panama Canal, afterwards signed by the President on June 28, 1902. The Senator from Massachusetts voted in favor of the bill, section 6 of which reads as follows:

SEC. 6. That in any agreement with the Republic of Colombia or with the States of Nicaragua and Costa Rica the President is authorized to guarantee to said Republic or to said States the use of said canal and harbors, upon such terms as may be agreed upon, for all vessels owned by said States or *by citizens thereof.*

Suppose the treaty with Panama should be construed as extending the exemption of tolls to privately owned vessels of that Republic, would the Senator then claim that it was in violation of the Hay-Pauncefote treaty, after his approval of the legislation I have just read, in which it is expressly agreed that the President may extend that privilege to private owners of vessels?

ENGLAND AND THE SUEZ CANAL.

The clause covering tolls, equality of treatment, and so forth, in the Hay-Pauncefote treaty was borrowed verbatim from the convention of Constantinople governing the Suez Canal, the chief stockholder in which is the British Government. It is interesting, therefore, in connection with the demands of Great Britain for equality of tolls through the Panama Canal for all nations, including the United States, to observe how this matter of "equality" is interpreted in the management of the Suez Canal. Some foreign nations pay outright the tolls of their own ships through the Suez Canal without protest from the British Government or anybody else. Yet Mr. Innes, in his note of July 8, 1912, says:

But there is a great distinction between a general subsidy, either to shipping at large or to shipping engaged in any given trade, and a subsidy calculated particularly with reference to the amount of user of the canal by the subsidized lines or vessels. If such a subsidy were granted, it would not, in the opinion of His Majesty's Government, be in accordance with the obligations of the treaty.

It is difficult to comprehend why England should object to this Government rebating the tolls to American shipping through the Panama Canal, or, which is the same thing, remitting the tolls altogether, and at the same time permit other Governments to refund specifically the tolls of their vessels through the Suez Canal, both canals being governed by the same rules of equality.

Great Britain herself pays to her principal steamship lines through the Suez Canal a subsidy equivalent to at least two-thirds of the tolls on her ships. The facts as to Suez Canal tolls and their repayment by foreign Governments are set forth on pages 15–17 of the Report of the Commissioner of Navigation for 1911.

In view of what foreign Governments are doing at Suez, it is easy to imagine what will speedily happen to American ships at Panama. They will be the only ones that will actually be required to pay tolls there. This is what the President is proposing. Already the British Government has increased by $340,000 annually the subsidy to the Royal Mail Steam Packet Co., the principal line of British steamers that will pass through the Panama Canal. Of course this was not given definitely for the tolls, but it will repay the tolls and more. It is nominally contingent on a slight, inexpensive improvement in the mail service to the West Indies. Doubtless in anticipation of the opening of the canal, the Canadian Government has just given another subsidy of $340,000 to this same Royal Mail Steam Packet Co. for a line from Halifax to the British West Indies—a compensation far in excess of the American rates under the ocean mail law. Presumably this line also, with its subsidy to pay the tolls, will be in a position to continue through the canal from Halifax to Vancouver.

Mr. President, in some remarks I made a short time ago in the Senate (April 25) I set forth in detail the preparations that are being made by foreign Governments to remit the tolls on their vessels through the Panama Canal. As the canal nears completion practically all countries are taking steps toward this end, and I beg leave to submit in this connection two additional items relating to subsidies, a part or a whole of which will undoubtedly be used to pay the tolls through the Panama Canal on foreign steamships.

STEAMSHIP SUBSIDIES OF CANADA.

Important facts regarding the subsidized steamship services of the Dominion of Canada are set forth in part 6 of the report of the department of trade and commerce of Canada for the fiscal year ending March 31, 1913, printed at Ottawa in 1914.

The total expenditures for the year 1912–13 by the Canadian Government for the encouragement of steamship services were $2,703,200.

The principal subsidized steamship lines were as follows:

Canada & Great Britain	$1,000,000
Canada & Cuba	25,000
Canada & Newfoundland	70,000
Canada (Atlantic) & Australasia	120,000
Canada, the West Indies & South America	225,500
Canada & South Africa	146,000
Canada (Pacific) & Australasia	180,509
Canada, China & Japan	121,666
Canada & France	200,000
Making a total of	2,088,675

The remainder of the total expenditures of $2,703,200 was devoted to a few minor steamship services to Great Britain, and to the encouragement of steamship lines in the Canadian coastwise trade.

All of these Canadian steamship subsidies were given to ships of British register. It was stipulated in the contracts "that two-thirds of the total number of officers, engineers, stewards, crew, or other employees whatsoever upon the steamships engaged in the performance of the service herein contracted for shall be British subjects," except as the minister of trade and commerce might in individual cases allow otherwise. It was stipulated further in the Canadian subsidy contracts that:

The contractors shall not, nor shall any of their agents or servants or officers or crew of the said steamers, receive or permit to be received on board of the said steamers any letters for conveyance other than those contained in His Majesty's mails, or which are or may be privileged by law, or the mails of any other country, except such as are specified by the postmaster general of Canada for the time being.

It was also stipulated that:

The steamer employed in carrying out the provisions of this contract shall not on any of its trips call at any foreign port not specified in this contract.

The aim of this is to prevent the steamers subsidized by Canada from calling at the ports of the United States.

For the year 1914 a subsidy of $340,666 is to be allowed to the Royal Mail Steam Packet Co. for a fortnightly service from St. John and Halifax to the British West Indies and British

Guiana, South America. These ships are not allowed to touch at any American port, and it is expected that the line, with a subsidy to pay the tolls, will be continued through the Panama Canal when the canal is opened.

JAPAN AND THE PANAMA CANAL.

The enterprising Japanese nation is preparing for the large use of the canal, and the indications are that that country will pay the tolls on Japanese ships from the public treasury. The American minister to Japan, Hon. George W. Guthrie, in a supplemental consular report for April 13, 1914, to be found in the Daily Consular and Trade Reports, May 1, 1914, states that the policy of the Japanese Government with reference to the Panama Canal is further shown in the plan of subsidizing a trans-Panama steamship line, as explained by the minister of communications at a meeting of the budget committee in the Lower House of the Diet. While the details of the plan have not yet been fully decided, it is said that the service contemplates eight steamers of 9,000 tons or more each. The proposed ports of call are as follows:

Eastern line: Outward voyage—Yokohama, Seattle, Panama, Colon, and New York; inward voyage—New York, New Orleans, Colon, Panama, Seattle, and Yokohama.
Western line: Outward voyage—Yokohama, Kobe, Moji, Shanghai, Manila, and Hongkong; inward voyage—Hongkong, Manila, Shanghai, Moji, Kobe, and Yokohama.

With regard to the proposal to make Seattle one of the ports of call in place of Honolulu, the Japanese Government claimed that while the distance from Yokohama to New York by the former route is 120 nautical miles longer than by the latter, Seattle offers better and cheaper coaling facilities than Honolulu. On the other hand, it is alleged that one, if not the chief, reason for the proposal is based on a desire to assign the trans-Panama service to the Nippon Yusen Kaisha, and as this company already runs a line to Seattle, the natural course in such case would be to make the New York line an extension of it. This inference is confirmed by the proposed redistribution of subsidies for the next period, under which the amount granted in the North America (Seattle and Tacoma) services is reduced from $905,440 to $374,781, the latter amount representing the future aid to be extended to the Osaka Shosen Kaisha line to Tacoma only, while the Nippon Yusen Kaisha line to Seattle is to be replaced by the New York line with a separate subsidy.

The annual amounts of Japanese subsidy proposed in aid of the trans-Panama service during a period of five years, commencing with 1915, are as follows: 1915–16, $718,307; 1916–17, $841,116; 1917–18, $875,447; 1918–19, $875,447; 1919–20, $875,447. The sums are smaller than those allotted to the San Francisco line, which during the same period are: 1915–16, $1,180,924; 1916–17, $1,137,113; 1917–18, $1,071,495; 1918–19, $1,005,877; 1919–20, $940,259.

The foregoing program of subvention still awaits the approval of the Diet. In presenting the plan to the Diet the minister of communications expressed the opinion that the opening of the Panama Canal would exert an immense influence upon American-Japanese trade, and that the Government had decided upon the necessity of subsidizing a trans-Panama line after full consultation with the chambers of commerce and shipping unions of the country.

Mr. President, from what I have submitted it will be seen that the statement I made on the 25th day of April was substantially accurate.

In this connection I wish to call attention to the efforts continually being made by foreign countries in behalf of their merchant marine, and against which the practically unaided shipping of the United States has to contend. In a speech I delivered on March 30 I presented a table of subsidies paid by foreign Governments to their shipping, aggregating $45,224,513, and inasmuch as the United States pays no direct subsidies to its shipping, and a very small amount in the matter of ocean mail pay, it requires no argument to prove that we are at a tremendous disadvantage in competition with the other maritime countries of the world. On that account, largely, our over-seas shipping has been destroyed, and it now becomes a question as to whether or not we will protect our coastwise shipping from the dangers that threaten it.

REMISSION OF SUEZ TOLLS.

Mr. President, on the 25th day of April, as I was about to leave the city for a visit to my home, I briefly discussed a resolution I had offered dealing with the question of the remission of tolls at Suez on the part of European Governments, which, if followed at Panama, as it doubtless will be, will place our shipping at a great disadvantage with foreign shipping. Since my return I notice in the CONGRESSIONAL RECORD that the senior Senator from Ohio [Mr. BURTON] discussed the question, saying, among other things:

I think the statements made in the preamble—

Referring to the resolution I had offered—

are not characterized by the accuracy usually employed by the Senator from New Hampshire. He states that "Whereas all nations largely engaged in commerce now pay either indirectly or specifically the tolls of their principal national lines of steamships passing through the Suez Canal."

And so forth.

Let me suggest that the word "indirectly" refers to the practice of Governments like Great Britain and Germany, which subsidize their principal lines through Suez, ostensibly for mail or other considerations. The wording of the preamble to the resolution I offered follows closely the very precise and well-considered language of the senior Senator from Massachusetts in his speech of April 9 (CONGRESSIONAL RECORD, p. 6454, second column), the language being:

Almost all the nations largely engaged in commerce now pay either indirectly or specifically the tolls of their vessels passing through the Suez Canal. They will undoubtedly do the same thing for their vessels which pass through the Panama Canal.

The official report of the Commissioner of Navigation for 1911, page 16, states, on the authority of the company's report, that the Suez Canal dues on ships and passengers of the Peninsular & Oriental Co., a British corporation, in 1910 were £357,989 4s. 7d., and its subsidies £297,143 6s. 8d. The report also states that the North German Lloyd subsidy is $1,385,160, which, so says the Commissioner of Navigation, "would have sufficed to pay all the tolls and leave a handsome margin."

The distinguished Senator from Ohio added:

There are but three countries which specifically rebate tolls paid on vessels going through the Suez Canal. Those countries are Russia, Austria-Hungary, and Sweden.

The Senator from Ohio apparently overlooked the new 25-year ocean mail contract between the French Government and the Messageries Maritimes, by which the Suez tolls are specifically reimbursed to the company "in addition to the subsidy," using the language of the contract. This is very significant. So that to Russia, Austria-Hungary, and Sweden, which specifically rebate their tolls, must now be added France.

Mr. President, it does not make any real, practical difference whether the subsidies granted to the ships passing through Suez are given specifically to pay the tolls or nominally for some other purpose. In either case the desired result is achieved, which is sure to be followed by foreign Governments in the same way at Panama. The statement made by me was entirely accurate and justified by the official report of the Commissioner of Navigation and the text of the French Government contract with the Messageries Maritimes.

The policy already adopted by other Governments at Suez, and certain to be followed by them at Panama, of virtually providing free passage for their principal lines of steamers, has a vital bearing on the question whether tolls shall be paid or shall not be paid by American coastwise ships, and should be considered at the same time and in the same connection as the proposed repeal of the exemption clause.

COASTWISE TONNAGE—HOW OWNED.

And now, Mr. President, a few words on another important phase of the subject under consideration.

The statement has been repeated again and again in the course of the debate on the tolls question that 90 per cent of American coastwise tonnage is owned or controlled by railroads or combinations. Nothing could be further from the facts. This assertion is made to support the demand for repeal of the exemption provision of the Panama Canal act, and presumably also for a repeal of our coastwise legislation which has been on the statute books for nearly a century. The statement arises from a misunderstanding of the precise language of the report of Prof. Huebner, of the University of Pennsylvania, and of Chairman ALEXANDER, of the House Committee on Merchant Marine and Fisheries, in summing up the investigation into shipping trusts and combinations. The House committee found, in the first place, the important fact that practically all the foreign steamship lines that ply from our ports in foreign trade were included in trusts or combinations, and also that many or most of the regular-line service in the coastwise trade belonged to railroads or to shipping combinations—these combinations being large steamship companies, one of them the Eastern Steamship Corporation of New England, and the other the Atlantic, Gulf & West India Co., of which the Ward Line is a part.

The fact is, Mr. President, that the bulk of our coastwise tonnage is made up of coal and lumber carriers, and so forth—"tramp" vessels, steam and sail, that go to any port where

business carries them. As a result nearly seven-eighths of the tonnage in the American coastwise trade on the Atlantic, the Gulf, the Great Lakes, and the Pacific belongs neither to railroads nor to combinations, but is controlled by private shipowners, who must number many thousands in all. Besides the regular coast lines controlled by railroads, the only railroad-owned tonnage, so far as I know, is a certain number of coal barges owned or controlled by the coal roads of Pennsylvania, Maryland, and Virginia.

The claim that American coastwise shipping is a "trust" or "monopoly" is attempted to be sustained by quotations from the recent report of the House Committee on Merchant Marine and Fisheries on "Steamship agreements and affiliations in the American foreign and domestic trade."

These quotations are as follows (report as above, vol. 4, pp. 403–406):

The foregoing chapters discuss the control of regular line services in the most important divisions of this country's domestic commerce. With the exception of the Pacific coast trade proper, it was shown that the line of traffic is handled by comparatively few companies and that these are largely controlled by railroads and shipping consolidations. Thus, in the entire Atlantic and Gulf coastwise trade (exclusive of all inland waterway and purely local carriers), 28 lines, representing 235 steamers of 349,821 gross tons, furnish the line service. Of this number of lines, 10 are railroad owned and represent 128 steamers of 340,084 gross tons, or 54.5 per cent of the total number of steamers in the trade and 61.9 per cent of the tonnage. Seven lines operating 71 steamers of 175,971 gross tons in the coastwise trade belong to the Eastern Steamship Corporation and the Atlantic, Gulf & West Indies Steamship Lines and represent in the aggregate nearly 30 per cent of the total number of steamers and 32 per cent of the tonnage. Combining the two interests, it appears that the railroads and two Atlantic coast shipping consolidations control nearly 85 per cent of the steamers and nearly 94 per cent of the gross tonnage engaged in the entire Atlantic and Gulf coastwise trade. Attention may be called again to the fact that very few of the routes between any two ports on the entire Atlantic and Gulf coasts are served by more than one line.

On the Great Lakes the through package freight from the western gateways to eastern seaports via Buffalo is controlled exclusively by six railroad-owned boat lines, and these six lines represent 63 steamers of 180,007 gross tons, or approximately 47 per cent of the line steamers and 64 per cent of the line tonnage operating on the Great Lakes. Exclusive of ferry companies and strictly passenger lines, 17 other freight lines of some importance connect various Lake ports. These, however, represent but slightly more than one-third of the Great Lakes line tonnage. Most of these independent lines are comparatively small, none engages in the through traffic from western terminal centers, and seven report that they encounter no direct competition from other water carriers.

Even in the Pacific coast trade (including the intercoastal trade), where independent steamship lines make a more prominent showing than in either the Atlantic coast or Great Lakes trade, railroads and shipping consolidations represent a large proportion of the total tonnage. The 15 lines already noted as operating in this trade represent (after excluding steamers engaged in the foreign trade) a total of 106 steamers of 350,512 gross tons. Three of these lines are owned by railroads and four by shipping consolidations, and represent a combined total of 68 steamers of 172,679 gross tons, or over 64 per cent of the total number of steamers for the 15 lines and over 49 per cent of the tonnage.

Considering all the line services noted in the preceding chapters as engaged in coastwise and Great Lakes trade, the following totals appear: The lines number 66; the steamers operated strictly in the domestic trade, 474; and the gross tonnage of these steamers, 1,180,897 tons. Of these totals, 19 railroads control 209 steamers (44.1 per cent of the total) and 589,561 gross tons (nearly 50 per cent of the total). Eleven lines belong to shipping consolidations and operate 121 steamers (25.5 per cent of the total) of 279,180 gross tons (23.6 per cent of the total). All told, the 30 lines referred to in the preceding chapters as controlled by railroads or shipping consolidations operate 330 steamers of 868,741 gross tons, or nearly 70 per cent of the tonnage.

Those who quote this language habitually ignore the fact that it is only the "regular-line" service that is considered—a relatively small or minority part of the total coastwise merchant marine, which is composed, as already suggested, mainly of general cargo or "tramp" tonnage—of steamers, barges, and sail vessels operating not on regular routes, but wherever there is freight to convey.

The quoted report of the Merchant Marine Committee of the House of Representatives cites as "controlled by railroads or shipping consolidations" only "330 steamers of 868,741 gross tons," which are described as embodying "nearly 70 per cent of the total number of steamers and 74 per cent of the tonnage" of the companies engaged in this regular-line service, on the Atlantic and Pacific coasts, the Great Lakes, and the Gulf of Mexico. But the total coastwise merchant marine of the United States on June 30, 1913, according to the report of the Bureau of Navigation for 1913 (page 7), consisted of 27,070 vessels of 7,886,518 tons. Of this immense shipping, 24,765 vessels of 6,858,742 gross tons were enrolled and licensed vessels engaged in the coastwise trade—only 1,027,776 gross tons being registered for foreign commerce. Therefore it follows that the 330 steamers of 868,741 gross tons described by the Merchant Marine Committee as "controlled by railroads or shipping consolidations," constitute only about one-eighth of the entire coastwise merchant shipping of the United States, which consists, all told, as has been said, of 24,765 vessels of 6,858,742 gross tons. That is, nearly seven-eighths of the tonnage of the American merchant marine in coastwise trade is not included in the line service of these railroad companies or steamship consolidations.

The most notable recent development of the American merchant marine has been in steam vessels of the all-around "tramp" or cargo-carrying type, built in part on the Great Lakes and in part in shipyards of the Atlantic seaboard. Most of these vessels are owned and controlled in New England and New York. Such ships are engaged in the carrying of coal, lumber, sugar, molasses, cotton, sulphur, phosphate rock, and so forth. They are of a type expressly calculated for service through the Panama Canal. So far as is known, none of these "tramp" ships are owned by railroads or by shipping consolidations. They are increasing in number more rapidly relatively than the steamers of the regular coastwise lines.

A trust or monopoly of 24,765 vessels of 6,858,742 tons has never been effected and never could be effected. Many of these vessels are small craft, but a great many of them are of a seagoing type. Such a multitude of units never could be brought together—the task has never been undertaken. It would be about as practicable to form a trust monopoly of owners of automobiles or of farm wagons. The service which the general freight-carrying coastwise merchant fleet of this country renders has always been distinctively and keenly competitive in its character. Until now nobody has ever asserted otherwise.

Not only is there no trust or monopoly dominating the coastwise merchant marine of the United States—nearly seven-eighths of its tonnage as has been shown being outside the lines found to be controlled by railroads or steamship consolidations—but by the terms of the Panama Canal act of August 24, 1912, any trust or monopoly control of coastwise shipping through the Panama Canal is made absolutely impossible. Section 11 of this act provides:

SEC. 11. That section 5 of the act to regulate commerce, approved February 4, 1887, as heretofore amended, is hereby amended by adding thereto a new paragraph at the end thereof as follows:

"From and after the 1st day of July, 1914, it shall be unlawful for any railroad company or other common carrier subject to the act to regulate commerce to own, lease, operate, control, or have any interests whatsoever (by stock ownership or otherwise, either directly, indirectly, through any holding company, or by stockholders or directors in common, or in any other manner) in any common carrier by water operated through the Panama Canal or elsewhere, with which said railroad or other carrier aforesaid does or may compete for traffic or any vessel carrying freight or passengers upon said water route or elsewhere with which said railroad or other carrier aforesaid does or may compete for traffic; and in case of the violation of this provision each day in which such violation continues shall be deemed a separate offense."

Jurisdiction is hereby conferred on the Interstate Commerce Commission to determine questions of fact as to the competition or possibility of competition, after full hearing, on the application of any railroad company or other carrier. Such application may be filed for the purpose of determining whether any existing service is in violation of this section and pray for an order permitting the continuance of any vessel or vessels already in operation or for the purpose of asking an order to install new service not in conflict with the provisions of this paragraph. The commission may on its own motion or the application of any shipper institute proceedings to inquire into the operation of any vessel in use by any railroad or other carrier which has not applied to the commission and had the question of competition or the possibility of competition determined as herein provided. In all such cases the order of said commission shall be final.

This section would bar completely from the Panama Canal any steamship owned by a railroad company or in which a railroad company had any direct or indirect interest. A subsequent paragraph of section 11 of this same act bars also all ships owned by trusts or monopolies, as follows:

No vessel permitted to engage in the coastwise or foreign trade of the United States shall be permitted to enter or pass through said canal if such ship is owned, chartered, operated, or controlled by any person or company which is doing business in violation of the provisions of the act of Congress approved July 2, 1890, entitled "An act to protect trade and commerce against unlawful restraints and monopolies," or the provisions of sections 73 to 77, both inclusive, of an act approved August 27, 1894, entitled "An act to reduce taxation, to provide revenue for the Government, and for other purposes," or the provisions of any other act of Congress amending or supplementing the said act of July 2, 1890, commonly known as the Sherman Antitrust Act, and amendments thereto, or said sections of the act of August 27, 1894. The question of fact may be determined by the judgment of any court of the United States of competent jurisdiction in any cause pending before it to which the owners or operators of such ship are parties. Suit may be brought by any shipper or by the Attorney General of the United States.

It should be added that the American coastwise steamship lines now actively preparing to use the canal are not in any case described by the Merchant Marine Committee as owned either by railroads or by steamship consolidations. They are included by the committee among the independent lines. The Pacific Mail steamers from San Francisco to Panama and the Panama Railroad Co.'s steamers from New York City to Colon will presumably not enter the canal when it is opened. The other lines now preparing to use the canal are—

American-Hawaiian Steamship Co., 26 ships, already in operation from Atlantic coast, via Isthmus of Tehuantepec, to Pacific coast ports and Hawaii.

Luckenbach Steamship Co., 10 steamships, already in operation from Atlantic ports, via Straits of Magellan, to Pacific coast ports and from Pacific coast ports to Panama.

W. R. Grace & Co., 4 ships, already in operation from New York and Philadelphia, via Straits of Magellan, to San Francisco and Puget Sound.

John S. Emery & Co. (Inc.), 2 ships building and more to be chartered, from Boston through the canal to San Francisco and Puget Sound.

Red Star Line, 2 ships now in trans-Atlantic service; plans yet unannounced.

Newspaper dispatches of March 6, 1914, stated that—

New Orleans, Port Arthur, and Galveston business men are organizing a steamship company to operate coastwise steamships from these ports through Panama to the Pacific seaboard.

It is estimated by shipping authorities that the American steamship companies which have already signified their intention to run steamers through the Panama Canal from coast to coast will have enough steamers when the canal is completed to dispatch a ship from the Atlantic or from the Pacific coast practically every business day throughout the year.

This is for the regular-line service, in addition to the "tramp" business, bulk-cargo carriers of coal, grain, asphalt, and lumber, for which in the past two or three years many steamships well adapted have been built on both the Atlantic and Pacific coasts and on the Great Lakes.

Coastwise carriers of the Atlantic seaboard are owned in two ways—either by corporations organized to carry on the shipping trade, whose stock, as a rule, is widely distributed, or by groups of individual owners, each possessing a certain number of "shares." These shares may be thirty-seconds or sixty-fourths, and this is the manner of ownership traditionally pursued in the old sail-ship days. Relatively few of these coastwise carriers—and these are apt to be small craft—are owned altogether by an individual. In New England, particularly, the ownership of the coastwise vessels is widely subdivided among thousands of shareholders or stockholders, the great majority being persons of moderate means. From what I have said it clearly appears that the charge that a coastwise-shipping trust exists in this country is absolutely without foundation and ought not to be repeated in this Chamber or elsewhere.

THE QUESTION OF SUBSIDY.

Mr. President, this is not a party question. The President is entitled to our confidence and respect unreservedly, and in all matters of public policy to our support in so far as we can conscientiously accord it, but the mere fact that he proclaims that he is opposed to subsidy in every form does not in the least justify either the Senate or the administration in the gratuitous sacrifice of such an invaluable commercial asset as the right to give by exemption of tolls an encouragement to our merchant marine. The history of no political party and no party leader, either in this country or abroad, justifies any such claim of infallibility as the attitude of the administration implies; and so I venture to say that the administration would not be in such hot haste to sweep American shipping from the face of the sea, possibly for all time, if it truly realized that after all the President may be mistaken about this matter and may have to reverse himself as he has been forced to do about some other equally cherished delusions. Indeed, if we are to admit that the remission of tolls to American coastwise vessels is a subsidy, then it follows that every deepened waterway and broadened channel, every lock and every canal on our lakes, along the coast, and upon our rivers, built by national appropriations and used by our shipping, is a subsidy. The Democratic Party, not less than other parties, has had its honorable share in these great internal improvements, and in that way has granted enormous subsidies to foreign shipping, for whose benefit most of the great expenditures on the seacoast have been made.

After all, perhaps a little introspection of the subsidy question, instead of stargazing around it, will suffice to show it is not such a terrible thing as our friends imagine. If the argument of the repealers on this subject is correct, we undoubtedly have been unconsciously subsidizing the church for years in this country. I can easily show you over $25,000,000 worth of church property right here in Washington that pays the Government no taxes, to which nobody objects, and surely that is as much a contribution to a class as any subsidy ever suggested for American shipping would be. If the theory we are asked to commit ourselves to holds good, to be consistent we should have a tollgate at Cape Henry, another at Sandy Hook, and at least two at New Orleans. How about the subsidy to the common schools that the rich now so cheerfully concede to the poor, the well-to-do to those who want to do well in this country? If free passage through the canal is a subsidy, how about the income tax, patents, appropriations to destroy the boll weevil and the gypsy moth, and for the encouragement of industries purely local in their character, such as the raising of live stock in the cane-sugar and cotton districts of the United States, to be found in the Agricultural appropriation bill now before the Senate? Very likely that is intended to be a legislative placebo or a consolation prize for the destruction by Congress of the sugar industry of the State of Louisiana. However that may be, it is a bald subsidy, notwithstanding the senior Senator from Louisiana a few days ago declared with great unction that "subsidy grates on the ears of Democrats." And I might well ask, What about the subsidy in the naval appropriation bill which grants free passage to vessels through the Panama Canal en route to or returning from the Panama-Pacific International Exposition?

So, I pray, Senators, let us not needlessly burn our bridges over this river which we shall surely have to recross later on unless we propose to let our more enterprising neighbors drive the Stars and Stripes utterly from the seas, which they have already largely accomplished.

It is within the memory of many of us that Democracy bitterly opposed the abolition of slavery, the safeguarding the integrity of the Union with arms, the prosecution to a finish of the Civil War, and the establishment of the gold standard. It has had confident convictions on other subjects—free silver and free trade, for instance, both of which delusions it has surrendered, partially at least, and must still further modify if it is to remain in power; therefore something more than a human conviction should be insisted upon before we consent to give up something that all the civilized world beyond our boundaries believes to be the most potent weapon ever forged for defense or offense on the ocean. In the face of the fact that almost every public-school boy knows that both of the great English parties—the Whig and the Tory—have been on every side of every political question that has ever been exploited in Great Britain, it is only reasonable to suppose that the Democratic Party is destined to change front about this matter as frankly and completely as it has done about other national questions that used to widely divide us. Indeed, in this debate at least two distinguished Democratic Senators have already committed themselves to the policy of granting relief in the form of subsidies to American shipping.

There was a time when the American flag was seen in every port of the civilized world, while now it is rarely seen outside of our own borders. The destruction of our over-seas shipping is absolutely pathetic and a reproach to a nation that leads all the world in wealth, in manufactures, in mining, and in agriculture. The time is sure to come when all parties will unite—Democrats, Republicans, and men of all other political beliefs—in a demand that we shall no longer neglect our merchant marine, but that it shall be rehabilitated by the same methods that other nations employ, and that is through governmental aid in the shape of appropriations from the National Treasury.

This matter of vacillation and changing of front of the Democratic Party on the important questions of the day is convincingly illustrated in the utterances of the present occupant of the White House. Every member of his party not only admits but glories in the assertion that Woodrow Wilson is one of the greatest exponents of Democratic principles that ever lived. His words and actions therefore may be considered as typically Democratic, and his repudiation of his party's platform declaration on the matter of tolls, which he indorsed during the campaign, is notorious.

In a speech at Washington Park, N. J., on August 15, 1912, Mr. Wilson, among other things, said:

Now, at present there are no ships to do that, and one of the bills pending—passed, I believe, yesterday by the Senate as it had passed the House—provides for free toll for American ships through that canal and prohibits any ship from passing through which is owned by any American railroad company. You see the object of that, don't you? [Applause.] We don't want the railroads to compete with themselves, because we understand that kind of competition. We want water carriage to compete with land carriage, so as to be perfectly sure that you are going to get better rates around the canal than you would across the continent.

Compare this language with the words of his message to Congress on the same subject, which is familiar to everyone.

Another illustration of the delightful inconsistency of the occupant of the White House is given in the following letters, in which is shown his varying estimates of his amiable Secretary of State:

PRINCETON UNIVERSITY, PRINCETON, N. J.,
President's Room, April 29, 1907.

MY DEAR MR. JOLINE: Thank you very much for sending me your address at Parsons, Kans., before the board of directors of the Missouri, Kansas & Texas Railway Co. I have read it with relish and entire

agreement. Would that we could do something, at once dignified and effective, to knock Mr. Bryan once for all into a cocked hat.

Cordially and sincerely, yours,

WOODROW WILSON.

Mr. ADRIAN H. JOLINE.

WHITE HOUSE,
Washington, February 5, 1914.

MY DEAR MR. MARBURY: I have your letter of January 30. * * * Your reference to the Secretary of State shows how comprehensively you have looked on during the last few months. Not only have Mr. Bryan's character, his justice, his sincerity, his transparent integrity, his Christian principle, made a deep impression upon all with whom he has dealt, but his tact in dealing with men of many sorts, his capacity for business, his mastery of the principles in each matter he has been called upon to deal with, have cleared away many a difficulty and have given to the policy of the State Department a definiteness and dignity that are very admirable.

I need not say what pleasure and profit I myself have taken from close association with Mr. Bryan, or how thoroughly he has seemed to all of us who are associated with him here to deserve not only our confidence but our affectionate admiration.

Sincerely, yours,

WOODROW WILSON.

Mr. WILLIAM L. MARBURY, *Baltimore, Md.*

Other instances without number could be given showing the facility with which the President is able to suit his utterances to what he considers the needs of the hour, but enough has been said to indicate a bare possibility that the failure to repeal the exemption provision may not be such a dire calamity as the President would have us believe. On the contrary, it would be quite within the precedents to find him in a short time advocating exemption of tolls quite as loudly as he now denounces them.

THE REPEAL IS NOT NECESSARY AS A MATTER OF POLICY.

Many arguments have been advanced tending to show that the repeal of the exemption clause is desirable as a matter of "policy." This can be considered from but two viewpoints. Either it is a poor economic proposition to extend aid to our coastwise shipping by means of the exemption of tolls or it is a menace to our foreign policy to stand on our rights in refusing to accede to the demands of Great Britain. At least one of the Senators who has taken the latter position, the Senator from Massachusetts [Mr. LODGE], who has always cast his vote in favor of assisting our merchant marine, now holds that we should not exercise the right of discrimination simply because we possess it, largely because of the effect upon our foreign policy. This is probably true of nearly all the Senators who will vote in favor of repeal on the ground of policy.

What can there be in our relations with foreign Governments that would be jeopardized or imperiled by a firm stand on our rights? One would think that such a position would win the respect and compel the admiration of all nations, and that future negotiations would be greatly facilitated if it was clearly understood that we did not propose to deviate from the fundamental doctrines of this Government. Is there anything in the Mexican situation to warrant such a suggestion? It would seem that a little more firmness and insistence in the beginning on our demands upon Mexico for reparation and punishment of guilty parties would have been productive of beneficent results. As a consequence of our vacillating Mexican policy we are said to be the laughingstock of the world. If we yield in this matter our position will be rendered still more ridiculous. A weak retreat from the stand we have taken will simply be an incentive to Japan to renew with fresh vigor her claims in California, and other nations will probably immediately resurrect old grievances and insist on decisions favorable to them.

INTERPRETATION OF THE HAY-PAUNCEFOTE TREATY.

If all the Senators who believe we have an undeniable right under the Hay-Pauncefote treaty to grant exemption from Panama Canal tolls to our coastwise shipping were to vote against the repeal of the exemption clause, it can not be doubted that the proposition would be defeated. It may be contended, therefore, that arguments could be directed more effectively toward the question of exercising that right at the present time. This I propose to do before I complete my remarks, but at this point I wish to point out what, to my mind, are fallacious constructions sought to be attached to the treaty by those who favor repeal.

In the first place, that part of the preamble of the treaty is quoted which says that it is negotiated "without impairing the 'general principle' of neutralization established in article 8 of that convention," referring to the Clayton-Bulwer treaty of 1850. Let us, therefore, study the wording of that article to see if any of its provisions are impaired by the exemption from tolls of American ships.

THE ORIGINAL CONTRACT OF 1850.

The precise words of article 8 of the Clayton-Bulwer treaty of 1850 are as follows:

The Governments of the United States and Great Britain, having not only desired, in entering into this convention, to accomplish a particular object but also to establish a general principle, they hereby agree to extend their protection by treaty stipulations, to any other practicable communications, whether by canal or railway, across the isthmus which connects North and South America, and especially to the interoceanic communications, should the same prove to be practicable, whether by canal or railway, which are now proposed to be established by the way of Tehuantepec or Panama. In granting, however, their joint protection to any such canals or railways as are by this article specified, it is always understood by the United States and Great Britain that the parties constructing or owning the same shall impose no charges or conditions of traffic thereupon than the aforesaid Governments shall approve of as just and equitable, and that the same canals or railways, being open to the citizens and subjects of the United States and Great Britain on equal terms, shall also be open on like terms to the citizens and subjects of every other State which is willing to grant thereto such protection as the United States and Great Britain engage to afford.

It is seen that the United States and Great Britain agreed to extend *their* "protection" to the canal route, wherever it might be located. Now, read carefully the second sentence of the article. It simply means that *in consideration of the protection granted jointly* by the United States and Great Britain no charges or conditions of traffic shall be imposed other "than the aforesaid Governments shall approve of as just and equitable."

In other words, to quote Hon. JOSEPH HOWELL, Representative in Congress from Utah:

The principle laid down and clearly established in this article is that protection is the price paid for equal treatment. Simply this and nothing more. Protection and equality of treatment stand in the relation of cause and effect.

This consideration is also extended to other Governments which may undertake to guarantee similar protection. Are we to understand that Great Britain undertakes to give "protection" to our canal, built with our own money, on our own soil, or that other countries have indicated that they will do the same thing? The suggestion is preposterous, and the whole argument for equal tolls based on this proposition must fall to the ground.

When this matter of joint protection of the canal was under consideration there was absolutely not the slightest intimation that the United States would build the canal with its own money and on its own territory. In the great speech on the subject by Senator Clayton March 9, 1853, not a reference to such a thing can be found. Even such an advocate of exclusive control of the canal by the United States as Stephen A. Douglas did not offer such a suggestion. In a speech in answer to that of Mr. Clayton Mr. Douglas used these words:

In his last speech the Senator—Mr. Clayton—chose to persevere in representing me as the advocate of a canal to be made through Central America, with funds from the Treasury of the United States. I need not remind the Senator that he had no authority from anything I have said to attribute to me such a purpose. I certainly did not assume any such position, while my remarks were calculated to negative such an idea.

Is it to be supposed that had it been known that the canal was to be built with our own money on our own soil the protection of Great Britain or any other country would have been solicited or accepted? Of course not; and as it was built with our own money and on our own soil, and we are to maintain and protect it we receive no "protection" from Great Britain, and therefore we are not bound to admit her ships to the canal on equal terms with our own.

ALL RULES OF EQUAL FORCE.

The Hay-Pauncefote treaty contains six rules for the purpose of governing the operation of the canal. The Senator from Massachusetts [Mr. LODGE] and other Senators have put the matter very plainly when they said:

It seems unreasonable to suppose, as I have already said, that when five out of the six of the treaty rules do not apply to the United States the sixth was intended to apply.

The rules are as follows:

1. The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules, on terms of entire equality, so that there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic or otherwise. Such conditions and charges of traffic shall be just and equitable.

2. The canal shall never be blockaded, nor shall any right of war be exercised nor any act of hostility be committed within it. The United States, however, shall be at liberty to maintain such military police along the canal as may be necessary to protect it against lawlessness and disorder.

3. Vessels of war of a belligerent shall not revictual nor take any stores in the canal except so far as may be strictly necessary; and the transit of such vessels through the canal shall be effected with the least possible delay in accordance with the regulations in force, and with only such intermission as may result from the necessities of the service.

Prizes shall be in all respects subject to the same rules as vessels of war of the belligerents.

4. No belligerent shall embark or disembark troops, munitions of war, or warlike materials in the canal, except in case of accidental hindrance of the transit, and in such case the transit shall be resumed with all possible dispatch.

5. The provisions of this article shall apply to waters adjacent to the canal, within 3 marine miles of either end. Vessels of war of a belligerent shall not remain in such waters longer than 24 hours at any one time, except in case of distress, and in such case shall depart as soon as possible; but a vessel of war of one belligerent shall not

depart within 24 hours from the departure of a vessel of war of the other belligerent.

6. The plant, establishments, buildings, and all works necessary to the construction, maintenance, and operation of the canal shall be deemed to be part thereof, for the purposes of this treaty, and in time of war, as in time of peace, shall enjoy complete immunity from attack or injury by belligerents, and from acts calculated to impair their usefulness as part of the canal.

It would seem that either all the rules apply to the use of the canal by this country or none of them have application to such use. Suppose they all do apply, then the United States, in its own canal, would be subject to the following restrictions:

First. We could not blockade the canal.

Second. We could not exercise a right of war or commit an act of hostility within the canal.

If at war with any other nation—

Third. We could not revictual or take on stores in the canal, except as strictly necessary.

Fourth. Transit through the canal would have to be made with least possible delay.

Fifth. We could not embark or disembark troops, munitions of war, or warlike materials in the canal.

Sixth. We could not allow our vessels to remain in the canal or within 3 miles of either end longer than 24 hours.

It is manifestly absurd to contend that the United States is controlled by the rules I have just outlined, and it is equally absurd to claim that the rule prescribing equality of tolls applies to the United States if all the others do not.

Again, by reference to the Hay-Pauncefote treaty, it is seen that "*the United States* adopts * * * the following rules." Is it reasonable to suppose that the party who promulgates the rules is to be bound thereby? The treaty also says:

The canal shall be free and open to the vessels of commerce and of war of all nations observing these rules.

Suppose the United States did not observe the rules which she herself has laid down, is she then to be denied the use of her own canal; and if so, who will undertake the enforcement of the denial? It would seem that the contention is manifestly too ridiculous to be seriously considered.

NEUTRALIZATION.

Much stress has been laid upon the so-called neutralization clause of the Clayton-Bulwer treaty, namely, article 8. It is claimed that the Hay-Pauncefote treaty must be construed in the light of this article, and that this neutralization provision guarantees absolute "equality" between the citizens of Great Britain and the United States. Nothing could be further from the truth.

Let us see what the real meaning of "neutralization" is. Ex-Senator Foraker, whose high standing as a lawyer is everywhere recognized, gives the following definition:

The well-defined and established primary meaning of "neutralization" has reference to conditions of war and the rights and duties of belligerents. There can not be any neutral port unless there are belligerents, and there are no belligerents in time of peace—only in time of war.

Neutrality means the equal treatment of the belligerents compared one with another, but not the equal treatment of belligerents with the nation to which the neutral port may belong. Assuming the United States to be the neutral nation we could not show favor to one or the other of warring nations without violating the rules of international law applicable, and thus laying ourselves liable to be called to account by the injured belligerent. There is nothing in the treaty to indicate that the word as used was to have any other than its ordinary meaning, and this ordinary meaning has no reference to peace or the conditions of peace, but only war and the conditions of war; but if we are to extend its application to rule 1 and make it apply to tolls in time of peace as well as in time of war, then, according to all rules of construction, neutrality in such new use would mean equal treatment accorded by the neutral nation to other nations, just as it does in every instance under its familiar application.

It is impossible to think of any case of neutrality or "neutralization," whether peaceful or warlike, without at least three parties being concerned—the neutral, who has no interest in the controversy, and the parties thereto who are entitled to equal treatment as between themselves, and, receiving that, have no claim of any kind against the neutral.

All things considered, the British contention is not only utterly untenable, but also utterly unjust.

I quote two additional definitions of the meaning of "neutralization." In Moore's International Law we find the following:

The idea of a neutral nation "implies two nations at war and a third in friendship with both."

Turning to Bouvier's Law Dictionary, the following definition is given:

The state of a nation which takes no part between two or more other nations at war with each other.

Neutrality consists in the observance of a strict and honest impartiality, so as not to afford advantage in the war to either party, and particularly in so far restraining its trade to the accustomed course which is held in time of peace as not to render assistance to one of the belligerents in escaping the effects of the other's hostilities.

It will thus be seen that the use of the word "neutralization" presupposes the existence of war, and has no reference whatever to the administration of the canal in time of peace. Therefore the "general principle" of neutralization established by the Clayton-Bulwer treaty, and which the Hay-Pauncefote treaty undertakes to perpetuate, has application only in regard to belligerents, and can not be considered as affecting in any way the matter of tolls in times of peace.

THE WELLAND CANAL.

During the debate great stress has been laid on the fact that after imposing discriminating tolls on our vessels through the Welland Canal Great Britain, in response to a protest from our Government, exempted our vessels from the payment of tolls through that waterway, and it has been suggested that that fact was an illustration of generosity on the part of Great Britain which we might well reciprocate by repealing the exemption provision of the Panama Canal act.

The Senator from Georgia [Mr. SMITH] laid great stress on that point, but the Senator from Idaho [Mr. BORAH] exploded that argument by showing that the action of Great Britain was simply a concession of a right that naturally and properly belonged to us, and the Senator from Montana [Mr. WALSH] also pointed out the fallacy of the claim. The fact is that in regard to the Welland Canal there is an agreement between the United States and the Dominion of Canada for mutual, reciprocal use of the Great Lakes and connecting waterways, including the American and Canadian canals at Sault Ste. Marie, the American St. Clair Canal, the Detroit River artificial channel, and the Welland and St. Lawrence Canals. Canada has improved some of these waterways and controls the Canadian Sault Ste. Marie, the Welland, and St. Lawrence Canals. She grants our vessels the use of these waterways on the same terms which her own ships enjoy. On the other hand, we grant her vessels similar use of the Soo Canal and the St. Clair and Detroit Channels, which have been deepened at enormous expense to the United States.

In other words, our use of the Canadian canals depends upon a special reciprocal arrangement. We give Canada certain privileges in our canals, and she gives us certain privileges in return. The whole question is well illustrated by the two canals at Sault Ste. Marie, paralleling each other on opposite sides of the river. Canada has built and maintains one. We have built and maintain another, and we are now constructing a very much deeper waterway on our side. If Canada had built at Panama at equal cost a canal paralleling ours, she would have a perfect right, as distinguished from all the other nations of the world, to come to us and say, "If you will pass our vessels free through your canal, we will pass yours free through ours."

But no such Canadian canal at Panama exists. We have built the only canal at the Isthmus at our own expense, and neither Canada nor any other nation has a right to come to us and demand that we shall follow at Panama the same policy which, under absolutely different conditions, we have followed on the Canadian border. If at some future time Canada or some other nation shall build a canal across the American Isthmus, then a condition comparable to that on the Great Lakes and the St. Lawrence would develop.

As a matter of fact, Canada did, prior to 1896, remit a part of the toll on the Welland Canal on grain carried to Montreal or Europe, and when we protested Canada insisted that she was well within her rights. She did not yield until we threatened to refuse free passage to her ships through the Sault Ste. Marie Canal. Then she granted to us equality in the Welland Canal as a matter of expediency, but by so doing she did not place us under obligation to her in any respect.

To put it concisely, Canada bought her privileges in our lake channels at a price of equal privileges in her own waterways, but no nation is in a position to do this at Panama.

VIEWS OF THOSE WHO PARTICIPATED IN THE PREPARATION OF THE HAY-PAUNCEFOTE TREATY.

In the consideration of this question it seems to me that it is of vital interest to understand just what the writers of the treaty conceived its real meaning to be. During the consideration of the treaty in the Senate Senator Bard, of California, introduced an amendment, as follows:

The United States reserves the right in the regulation and management of the canal to discriminate in respect of the charges of traffic in favor of vessels of its own citizens engaged in the coastwise trade.

This amendment was defeated by a vote of 43 to 27, but practically all of the Senators who voted in the negative, including myself, did so because they thought we had the undoubted right of discrimination in the treaty as it stood, and that the adoption of the amendment would be simply cumbering the treaty with useless language. Senator Bard himself admits that it was generally conceded that we had that right, and that his amendment was simply to remove all question or doubt. Ex-Senator

Foraker, in referring to the contention that we are prohibited from discriminations in favor of our own ships, says:

There is a preposterous absurdity in such a conclusion, and I should feel deeply mortified to think that I had favored and supported a measure that was capable of such a construction.

Secretary of State John Hay, the plenipotentiary on the part of the United States in the negotiation of the treaty, sent to the Senate a history of the amendments proposed to the first Hay-Pauncefote treaty, which resulted in the negotiation of the second treaty that is now in force. His explanation of the meaning of the treaty at the time of its transmittal to that body was this:

The whole theory of the treaty is that the canal is to be an entirely American canal. The enormous cost of constructing it is to be borne by the United States alone. When constructed it is exclusively the property of the United States, and is to be managed and controlled and defended by it. * * * The United States alone, as the sole owner of the canal, as a purely American enterprise, adopts and prescribes the rules by which the use of the canal shall be regulated and assumes the entire responsibility and burden of enforcing, without the assistance of Great Britain or of any other nation, its absolute neutrality.

The quotation shows the views of the man who, above all others, was in a position to know and understand the true meaning and intent of the Hay-Pauncefote treaty. No stronger or more emphatic language could have been used by him, and this one argument is sufficient, in my opinion, on which to base my contention.

It is utterly unconscionable to suppose that true Americans, such as John Hay and those associated with him in the negotiation of the Hay-Pauncefote treaty, would have considered for a moment the surrender of the right to do with this canal exactly what we saw fit. As I have already suggested, it was built with our own money, on our own territory, by our own labor and ingenuity, without the slightest aid or suggestion from Great Britain or any other power, and, according to all rules of equity, justice, fair play, and common sense, we are privileged to control its affairs precisely as we wish. That view was held by President Roosevelt, President Taft, and Secretary of State Knox.

One of the latest utterances made on this point is by Dr. David Jayne Hill, Assistant Secretary of State under John Hay at the time the treaty now in force was negotiated, who afterwards was American ambassador to Germany and who is recognized as an authority on international law. In a recent number of the Saturday Evening Post, under the title of "The Meaning of the Hay-Pauncefote Treaty," Dr. Hill reaches the conclusion that the treaty is observed in letter and spirit when the United States treats all nations alike in assessing canal tolls, and that they have no right to complain if the United States, the owner of the canal, passes its own vessels through free.

Another point made by Dr. Hill is important, and that is that if we are not to be given preferential treatment in regard to our coastwise vessels then all other governments should be required to pay proportionally the deficit that will accrue in the maintenance of the canal. The estimated annual cost of maintenance and operation of the canal, including interest and amortization, is $29,250,000, while the income from tolls, including tolls on American coastwise shipping, would be only $12,600,000. This would leave an annual deficit of $16,850,000. The tolls on coastwise shipping would amount to $1,200,000, leaving $15,650,000 to be reimbursed by foreign governments. It is estimated that the shipping of Great Britain passing through the canal will be more than half of the total.

I would like to inquire of any Senator who favors the repeal of the exemption clause whether this proposition is not a just and fair one. Why should we, having built the canal, provided we admit the ships of all nations to the canal on the same terms as our own, be required to pay all the loss that occurs in the matter of interest, maintenance, and protection? The mere statement of this matter shows clearly that the United States is on a different footing from other nations in regard to the canal, for the reason that if we repeal the exemption provision the United States will be required to pay the deficit, and no foreign government will be asked to contribute a dollar. In other words we have built the canal, and must now bear greatly more than our share in maintaining it. How absurd that is. If the United States chooses to remit $1,200,000 to its coastwise shipping, thus making the deficit larger, why should foreign countries complain so long as they do not pay any part of the deficit? I wish that some Senator would frankly tell me why Dr. Hill's proposition is not a fair and equitable one.

Again, Mr. President, let us suppose that at some future time the canal is seriously damaged or destroyed by an earthquake or some other catastrophe, an event which may occur at any moment, will the nations who, if this bill passes, are to be granted in every respect equal privileges and benefits in that great waterway with ourselves rebuild it, or will that task, accompanied by another enormous expenditure of money, devolve upon the United States? The question answers itself, and it shows clearly the folly that we will perpetrate if we yield to the joint demands of Great Britain and the President of the United States on this question.

THE HAY-PAUNCEFOTE TREATY IS OF NO EFFECT UNDER THE CONSTRUCTION GIVEN IT BY THOSE FAVORING REPEAL.

A word as to the treaty-making power.

In Wharton's International Law is found an illuminating discussion of the limitations of the treaty-making power of the President and Senate. I quote as follows:

That a treaty can not invade the constitutional prerogatives of the legislature is thus illustrated by a German author, who has given to the subject a degree of elaborate and extended exposition which it has received from no writer in our own tongue: "Congress has, under the Constitution, the right to lay taxes and imposts, as well as to regulate foreign trade, but the President and Senate, if the 'treaty-making power' be regarded as absolute, would be able to evade this limitation by adopting treaties which would compel Congress to destroy its whole tariff system. According to the Constitution, Congress has the right to determine questions of naturalization, of patents, and of copyright. Yet, according to the view here contested, the President and Senate, by a treaty, could on these important questions utterly destroy the legislative capacity of the House of Representatives. The Constitution gives Congress the control of the Army. Participation in this control would be snatched from the House of Representatives by a treaty with a foreign power by which the United States would bind itself to keep in the field an army of a particular size. The Constitution gives Congress the right of declaring war; this right would be illusory if the President and Senate could, by a treaty, launch the country into a foreign war. The power of borrowing money on the credit of the United States resides in Congress; this power would cease to exist if the President and Senate could, by treaty, bind the country to the borrowing of foreign funds. By the Constitution 'no money shall be drawn from the Treasury but in consequence of appropriations made by law,' but this limitation would cease to exist if, by a treaty, the United States could be bound to pay money to a foreign power. * * * Congress would cease to be the lawmaking power as is prescribed by the Constitution; the lawmaking power would be the President and the Senate. Such a condition would become the more dangerous from the fact that treaties so adopted, being on this particular hypothesis superior to legislation, would continue in force until superseded by other treaties. Not only, therefore, would a Congress consisting of two Houses be made to give way to an oligarchy of President and Senate, but the decrees of this oligarchy, when once made, could only be changed by concurrence of President and of senatorial majority of two-thirds." (Wharton, Int. Law Digest, art. 131a, I. 26.)

As has been suggested elsewhere, to this list of the powers of Congress delegated by the Constitution can well be added the power "to regulate commerce with foreign nations and among the several States and with Indian tribes." If the legislative power of the House of Representatives under this provision of the Constitution has been taken from them by the Hay-Pauncefote treaty, as must be the case under the construction given to the treaty by those who favor repeal of the exemption clause, then the Senate apparently has exceeded its treaty-making power, and the treaty, in this respect at least, is of no effect whatever.

The Panama Canal was built with money received from taxation of the American people. The canal is therefore the property of the people. The President and Senate, constituting the treaty-making power, are simply the trustees of the people. Hon. Lewis M. Hosea, one of the ablest lawyers of Cincinnati, and but recently retired from the bench of the superior court of Ohio, has taken notice of the above principle, which he clothes with the following language:

Whosoever deals with a trustee, knowing him to be such, is bound to take notice of his powers and limitations.

This is a principle of common law, familiar in both England and the United States, and Judge Hosea comments on it as follows:

This is especially true of public officials who are mere agents and trustees of the public, charged with the performance of specific duties and intrusted with powers suitable to that end. An act of a public officer, therefore, within the scope of his duty and power binds the public; but if the act be not within the scope of such duty and power it does not bind the public, and one thus dealing with a trustee can take no benefit from his wrongful act.

If, therefore, under familiar legal principles common both in England and the United States, neither the President nor the Senate had power or authority to make a treaty with England, surrendering the local and interstate rights of the people incident to the construction of the canal and its use as a local highway connecting United States territory, then if the treaty does surrender such rights, it is void.

Edward Everett, as Secretary of State, on December 1, 1852, in a letter to the Compte De Sartiges, of Spain, in regard to a proposed convention stipulating that we would never annex Cuba, gave utterance to the following:

Now, it may well be doubted whether the Constitution of the United States would allow the treaty-making power to impose a permanent disability on the American Government for all coming time and prevent it under any future change of circumstances from doing what has been so often done in times past.

The provision in the Hay-Pauncefote treaty allowing "all nations" to use the canal on equal terms is, under the construction

sought to be placed upon it by those who favor the repeal of the exemption provision, clearly an imposition of "a permanent disability on the American Government," and prevents it from doing what has been done many times in the past. At the time of the ratification of the treaty there were some very eminent constitutional lawyers in the Senate, and it is inconceivable that they would have allowed a treaty to be ratified if there was any suspicion that it would impose on this Government a permanent disability. The fact that that question was not raised in the debate clearly indicates that the construction now sought to be attached to the treaty is erroneous, and that we did not surrender any of our rights to the full and complete control of the canal.

It is a well-established rule of international law that where the circumstances surrounding the making of a treaty undergo material change the treaty becomes voidable at the option of either party. When the Hay-Pauncefote treaty was negotiated the supposition was that the canal was to be built in alien territory and by private capital. As a matter of fact it was built on territory belonging exclusively to the United States, and with the money of the people of the United States. This country is therefore not bound to adhere to the provisions of the treaty, even though the construction sought to be given it by those who favor repeal is admitted to be correct. If the views held by the advocates of repeal shall prevail, it will manifestly be the duty of this Government to abrogate the treaty, and get rid of the "permanent disability" it imposes on us.

Hon. Hannis Taylor, another eminent authority on international law, supports this argument in the following words:

The conclusion is irresistible that by the radical changes wrought in conditions existing at the time the Hay-Pauncefote treaty was made, through subsequent purchase of the Canal Zone by the United States, the treaty as a whole became voidable. Or, to use the words of Prof. Oppenheim, that the vital change wrought by the subsequent purchase of the Canal Zone rendered an otherwise "unnotifiable treaty" notifiable. Under the universally accepted rule of rebus sic stantibus, so luminously expounded by the greatest of the recent English publicists, we have the right and Great Britain has the right to call a diplomatic conference in order to make such modifications in the terms of this voidable or "notifiable" treaty as either party may desire.

THE MORAL QUESTION.

It has been contended, in season and out of season, by certain Members of this body, notably the distinguished senior Senator from New York [Mr. ROOT], that our national honor can only be upheld by the repeal of the exemption provision in the Panama Canal act. On that point I desire to say that some of us who are opposed to that exemption are just as sensitive upon this question of national honor as is the Senator from New York or any other man in or out of this Chamber. We take exception to the doctrine thus enunciated, and hold that we are subserving national honor to a greater extent by standing for what we conceive to be the rights of our people as against the protests from Great Britain or any other foreign country. I find no fault with those who entertain views opposite from those I hold, but I do find fault with any suggestion from any quarter that our national honor can only be upheld and promoted by yielding to the demands of Great Britain on this important subject.

Mr. President, if there be any moral issue that touches this case, it is, in my opinion, whether we shall or shall not suffer ourselves and the American people to become demoralized by our want of moral courage and conduct in this vital matter. A pledge solemnly made in writing to the electorate of this country, openly and unconditionally proclaimed by each and every one of the great political parties, soliciting popular approval and support at the polls, should be a moral law to those who uttered it not to be lightly cast aside by its authors. It is undeniable that to break such a unanimously plighted pledge tends to promote infidelity in the national heart. The resultant loss of faith in party principles and declarations justifies the thought, growing all too common in this country, that the honeyed phrases of party platforms are indeed nothing more than political molasses to catch human flies.

This charge of dishonorable practice is so succinctly answered in an editorial in the Outlook for October 5, 1912, that I beg to quote a few words therefrom:

What is it that the United States has done? For nearly 400 years the civilized world entertained the idea of a canal through the Isthmus from the Atlantic to the Pacific. Surveys were made, plans were drawn, treaties were enacted. Finally the French people undertook the work. They failed. The American people assumed the burden. They have fought disease and death. They have struggled with engineering problems incredibly difficult. They have laid upon themselves financially an everlasting burden of over $400,000,000. All this has been done not merely for their own benefit, but for the benefit of the entire world. And their final act is to say that the ships of all nations, including their own, engaged in *international commerce* shall share the benefits of the canal on equal terms. Not only that, they have legally fixed for the ships of the British people (who are now accusing the Americans of dishonorable practices) a rate of toll which is actually insufficient to pay the cost of the maintenance of the canal. Have they (the British) given us in this matter that word of praise which we may be fairly said to deserve? If they have spoken such a word of praise, they certainly have not repeated it often enough to be in danger of overstimulating our vanity.

THE QUESTION OF ARBITRATION.

The Senator from New York [Mr. ROOT] in his able speech of January 21, 1913, devoted much space to an appeal that the question should be submitted to The Hague court of arbitration. And the Senator from Utah [Mr. SUTHERLAND] also argued forcibly in favor of disposing of the matter in that way. But let us see if the matter under discussion is arbitrable. In the treaty with Great Britain of April 4, 1908, it is agreed that all matters in dispute shall be referred to The Hague permanent court of arbitration, except those which "affect the vital interests, the independence, or the honor of the two contracting States, and do not concern the interests of third parties." What reference does the Senator from New York make to these exemptions in his speech? I quote his words:

Of course, the question of the rate of tolls on the Panama Canal does not affect any nation's vital interests. It does not affect the independence or the honor of either of these contracting States. We have a difference relating to the interpretation of this treaty, and that is all there is to it.

The learned Senator thus disposes of the exemptions above quoted, and goes on through many pages to extol the virtues of arbitration. Not a word as to whether the dispute concerns the "interests of third parties." Is it not the contention of those who favor the repeal of the exemption clause that every nation, as well as Great Britain, must be admitted to the canal on the same basis as the United States? Why, then, are there not many "third parties"? This one point, as it seems to me, would render the matter not subject to arbitration. It may seem presumptuous in me to say this, but that is the way I interpret the treaty.

The Senator asserts that the question of the rate of tolls does not "affect any nation's vital interests." Perhaps the mere question of tolls does not, but the principle which underlies this whole matter certainly does. A retreat from our position, in the words of ex-Senator Foraker, not only "means self-condemnation, but it also means the abandonment for all time of a right which in the vicissitudes of our national life may, under changed circumstances, be of value far beyond what we can now realize or appreciate." If the British, quoting further from Mr. Foraker, "are to be allowed to dictate with respect to the use of our canal to the extent now demanded, it will be found the more we yield the more we will have to yield." It is the far-reaching consequences of repeal which affect our "vital interests," and having once submitted to dictation by Great Britain, and established a precedent, no one can prophesy where her demands will end, or what essential rights we will next be called upon to surrender.

Mr. President, we are besought to withdraw from what is styled our "arrogant refusal" to submit the matter to arbitration and to consent to allow the dispute to be adjusted by an "impartial tribunal." It strikes me that it is reasonable to assume that the members of that court representing foreign nations, especially if the suggestion that all the nations of the world except ourselves hold that we are wrong, are necessarily prejudiced against us in advance. Again, I do not know whether the members of the court representing the United States would be admitted to the arbitration or not, or whether they would consent to serve if invited to do so; but it is significant that if they should serve at least two members of the court who will represent the United States have already placed themselves on record as opposed to the exemption of tolls; hence it occurs to me that we would in any event be badly handicapped from the beginning if the matter should be submitted to The Hague court as now constituted, as suggested by the senior Senator from New York. For myself I much prefer the suggestion made by the Senator from Montana [Mr. WALSH], that the matter might well go to the Supreme Court of the United States for a determination as to the true construction of the treaty. As he ably argued, a decision reached by that court would at least satisfy our own people, while the result of arbitration, if the decision was against us, would presumably leave the matter, so far as our own people are concerned, in the same unsettled condition of mind as now exists.

FOLLOW THE PRESIDENT, "RIGHT OR WRONG!"

The President's appeal to Congress that we should grant him what he asks "in support of the foreign policy of the administration" is echoed by other Senators, who urge that we should give "unreserved support" to the President of the United States in his foreign policies, because he is the President of no party, but of all the people.

But does this bind us to sustain him in every measure he may propose for the placating of foreign Governments? At the

outset of his administration the President secured the enactment of a tariff law, radically reducing the duties on American manufactures which come into competition with the products of Europe. Those concessions were supposed to be of enormous value to the European Governments and peoples. It was just such a tariff as foreign nations had long, earnestly, and frankly desired, and criticized and denounced our Government for not adopting.

But this tariff for revenue only, valuable and welcome though it was, has apparently failed to satisfy the greed or to secure the favor or friendship of Great Britain. Still another concession—a higher purchase price—is necessary. It is offered in the repeal of the clause exempting American coastwise ships from paying tolls at Panama.

But suppose that this added concession of ours should fail, as the new tariff has failed, to win the complete good will of Great Britain, what then? That country, as is well known, has been giving generous subsidies to her principal lines of steamships for more than 70 years. She has expended for this purpose not far from $400,000,000. British shipping is now receiving almost $10,000,000 a year in all from the United Kingdom and her colonies. These British subsidies have been a most important factor in upbuilding the vast steam marine of the British Empire and in destroying our own steam marine in foreign trade, which in the early days was far more efficient and successful than the fleet of our great competitor.

Now, suppose that the British Government, believing that the purpose of its own subsidy policy had been achieved by the practical destruction of our over-seas shipping, and dreading lest we might follow her example, should propose to President Wilson, who rejects all subsidies as economically unsound, that Great Britain and America should agree in a formal treaty that no more subsidies should be given by either nation? This would present another question of foreign policy. It would provide another opportunity and another very tempting price whereby to win the approbation and good will of foreign Governments. Would the Senator from Massachusetts [Mr. LODGE], who advises us to follow the President, notwithstanding in the Senator's opinion we have a right to exempt our coastwise ships, also hold that we all ought to follow and sustain the President, whether "right or wrong," in that new departure? I apprehend not.

REPEAL OF THE COASTWISE LAWS.

It is a fact of new and profound significance that at the present time, both in this and in the other House of Congress, gentlemen who are following the President have introduced and are apparently pressing for consideration various proposals for the repeal of our historic coastwise legislation, which ever since the early years of the Republic has reserved the great coastwise trade of this country to American ships and American sailors. If this legislation is repealed, foreign ships, with Chinese or Lascar crews, and with their tolls paid in subsidies from foreign Governments, can compete freely with our own ships in the carrying of American merchandise between Boston, New York, New Orleans, and our own ports of the Pacific seaboard. Such a policy would mean, of course, the destruction of what is left of our merchant marine and the utter annihilation of American shipbuilding and navigation.

If the imposing of full tolls upon American ships at Panama should fail, as the reduction of tariff duties upon a billion dollars' worth of foreign manufactured goods has manifestly failed, to produce the desired conciliatory effect upon foreign Governments; and President Wilson, as a further effort in this direction, should recommend to the Congress the immediate consideration and enactment of the legislation proposed by some of his supporters for the repeal of our coastwise laws; and if the President should reiterate his present assurances that this still further concession was absolutely essential to his diplomatic policies, would the Senator from Massachusetts once more urge that the President's word should be supreme in foreign relations, and that party differences should cease at the water's edge? Would the Senator follow the President to this further and complete extinguishment of American maritime interests? Of course he would not; and yet if the President must be upheld in his foreign policy at any price, must he not be upheld in the one case as well as in the other?

FORMER PATRIOTISM IN REGARD TO THE AGGRESSIONS OF ENGLAND.

While the Clayton-Bulwer treaty was under discussion in 1850, Mr. Clayton, the Secretary of State, was subjected to very severe denunciation in the Senate for accepting a treaty which practically provided for a partnership with Great Britain in the construction of the canal, when it was within his power to secure a monopoly for the United States. After he left the Cabinet he sought election to the Senate for the express purpose of replying to his critics. He was successful, and four days after taking his oath as Senator he made a memorable speech defending his course in the negotiation of the Clayton-Bulwer treaty. His principal critic had been Senator Cass, of Michigan, but at this time Mr. Cass was at home in attendance on his sick wife, so Mr. Clayton addressed his remarks to Senator Stephen A. Douglas, the chief lieutenant of Senator Cass. At the close of Mr. Clayton's remarks Mr. Douglas arose to reply. After hearing the supplications from the present-day leader of the Democratic Party that we ought to placate Great Britain by repealing the tolls exemption provision, it is, indeed, refreshing to listen to some of the patriotic outbursts of the virile head of that party in the days when men spoke their convictions.

Mr. Douglas said:

> Are we under any more obligation to consult European powers about an American question than the allied powers were in their congress to consult us when establishing the equilibrium of Europe by the agency of the Holy Alliance? America was not consulted then. Our name does not appear in any of the proceedings. It was a European question, about which it was presumed America had nothing to say.
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> I hope the time has arrived when we will not be told any more that Europe will not consent to this and England will not consent to that. I heard that argument till I got tired of it when we were discussing the resolution for the annexation of Texas. I heard it again on the Oregon question, and I heard it on the California question. It has been said on every occasion whenever we have had an issue about foreign relations that England would not consent, yet she has acquiesced in whatever we have had the courage and the justice to do. And why? Because we kept ourselves in the right.
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> I think the time has come when America should perform her duty according to our own judgment and our own sense of justice, without regard to what European powers might say in respect to it. I think this Nation is about of age. I think we have a right to judge for ourselves. Let us always do right and put the consequences behind us.
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> Sir, the way to establish friendly relations with England is to let her know that we are not so stupid as not to understand her policy nor so pusillanimous as to submit to her aggressions. The moment that she understands that we mean what we say and will carry out any principle we profess, she will be very careful not to create any point of difference between us.

Mr. President, those words were spoken by Stephen A. Douglas, the great leader of the Democratic Party, 61 years ago, when our Government was much weaker and less able to defend herself from the aggressions of foreign powers than she is to-day. They are commended to the Democrats of the present generation. They were brave words from a brave man, who did not allow his judgment to be warped or his utterances to be suppressed through fear of foreign interference. We may well emulate the words of that great leader of his party—known in his day as "the Little Giant"—and stand firmly and unflinchingly for the best interests of the people of the United States, uninfluenced by the views or desires of foreign governments.

In 1810, during the discussion of the bill to repeal the embargo against British shipping, which eventually succeeded, under pressure from England, Henry Clay delivered a notable speech in the Senate, which might well be repeated to-day. I quote a few paragraphs from that speech, which show that patriotism was not lacking in this body in those days in denouncing foreign aggression. Mr. Clay said:

> Sir, is the time never to arrive when we may manage our affairs without the fear of insulting His Britannic Majesty? Is the rod of British power to be forever suspended over our heads? Does Congress put on an embargo to shelter our rightful commerce against the piratical depredations committed upon it on the ocean, we are immediately warned of the indignation of offended England. Is a law of nonintercourse proposed, the whole navy of the haughty mistress of the seas is made to thunder in our ears.
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> Does the President refuse to continue a correspondence with a minister who violates the decorum belonging to his diplomatic character, by giving and deliberately repeating an affront to the whole Nation, we are instantly menaced with the chastisement which English pride will not fail to inflict.
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> Whether we assert our rights by sea or attempt their maintenance by land, whithersoever we turn ourselves, this phantom incessantly pursues us. Already has it had too much influence on the councils of the Nation. It contributed to the repeal of the embargo—that dishonorable repeal, which has so much tarnished the character of our Government.

The words of Douglas and of Clay reverberated throughout the land when they were uttered, and the American people will indorse equally brave words to-day. England has been a land pirate all through her history. Her diplomacy has been both able and unscrupulous, and if she succeeds in carrying the point now in controversy she will add one more notable victory to her long line of diplomatic triumphs. Can it be possible that the Senate of the United States will aid her in that effort?

Mr. President, a present-day note of patriotism in regard to this matter is sounded by Mrs. Mary Lockwood, the founder of the Society of the Daughters of the American Revolution. I commend her appeal to every true American, man and woman alike, who has at heart the principles upon which this great society was founded. Mrs. Lockwood says:

> The time has come when Americans had best look out for American interests. I appeal to every patriot to stand by his or her country's rights and privileges.

Mr. President, if we are brave enough to do that, the interference of Great Britain in a matter of purely domestic concern to the United States will be rebuked, and we will stand before the world in the light of an independent, self-respecting, courageous Nation, sensitive of our rights, and ready to defend them at all times and under all circumstances.

Mr. President, the great task is completed, and to-day it is expected that a vessel will pass from the Atlantic to the Pacific Ocean across the Isthmus of Panama. The dreams of ages have been fulfilled, and the canal is open on equal terms to the international commerce of the world. The greatest achievement of modern times immortalizes the genius of America and Americans; and Goethals, Gorgas, and their associates have won imperishable renown, and their names will forever live in the memory of our people. They conquered disease, overcame what seemed to be insuperable engineering problems, and by patience, courage, and unflagging devotion to duty consummated the great enterprise. In a sense the canal belongs to the world, but in a larger and truer sense it belongs to us. To a just share in its privileges and benefits the nations of the earth are invited; but its defense, protection, and maintenance are reserved to the United States. The waters of the two oceans will mingle, and a large share of the commerce of the world will be carried through the great waterway to be distributed to South America, the Orient, and other distant markets; and more and more, as the years come and go, will the incalculable boon that we have bestowed be appreciated. It is for us as a nation to feel just pride in what we have accomplished, and it is equally for us to be jealous of our rights and faithful to the interests of the great Nation we represent. That we can only do by firmly adhering to the legislation now on the statute books and resisting all efforts, from whatever source they may come, to induce us to yield the superior rights that we have fairly won and the superior recognition that is manifestly our due. Let us in dealing with this question adopt the words of Jefferson in his communication to the American commissioners at Madrid:

> We confide in our strength without boasting of it; we respect that of others without fearing it.

Mr. STERLING. Mr. President, I desire to give notice that on Wednesday, May 27, following the routine morning business, I shall address the Senate on the pending bill.

Mr. NORRIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HUGHES in the chair). The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Fall	Pittman	Smith, Ga.
Borah	Gallinger	Poindexter	Smith, Md
Brady	Hughes	Pomerene	Smith, S. C.
Brandegee	Johnson	Ransdell	Smoot
Bristow	Kenyon	Reed	Sterling
Bryan	Kern	Robinson	Sutherland
Burleigh	Lea, Tenn.	Root	Thompson
Burton	Lodge	Shafroth	Thornton
Catron	McCumber	Sheppard	Tillman
Chamberlain	Martine, N. J.	Sherman	West
Chilton	Norris	Shields	
Dillingham	Overman	Shively	
du Pont	Page	Smith, Ariz.	

Mr. THORNTON. I was requested to announce the necessary absence of the junior Senator from New York [Mr. O'GORMAN].

Mr. SHAFROTH. I desire to announce the unavoidable absence of my colleague [Mr. THOMAS] and to state that he has a general pair with the senior Senator from New York [Mr. ROOT].

The PRESIDING OFFICER. Forty-nine Senators have answered to their names. There is a quorum of the Senate present.

THE TRADITIONAL POLICY OF THE UNITED STATES IN RELATION TO WATERWAYS.

Mr. BURTON. Mr. President, in support of the bill to repeal the exemption of our coastwise shipping from the payment of tolls in the Panama Canal three classes of arguments have been earnestly and ably presented to the Senate.

First. That the Hay-Pauncefote treaty of 1901 requires entire equality among nations, and consequently the exemption of any shipping of the United States is a violation of its provisions. It is further argued that even if the treaty in itself does not forbid discrimination, at least when negotiations and treaties made before and after are considered with it, the inhibition is absolutely conclusive.

Second. The economic argument that the exemption from payment of tolls constitutes a subsidy, and that is not justified by our laws, is contrary to the spirit of our institutions, and is opposed by the party in power and by many adherents of the Republican Party. In this connection it is maintained that the exemption will not materially benefit producer or consumer or aid in reducing rates on transcontinental railroads.

Third. The opinion of other nations. It is alleged that this opinion is practically unanimous against us. The President, in his brief and forcible message, while regarding the exemption as a mistaken economic policy from every point of view and in plain contravention of the treaty with Great Britain, adds: "The meaning of the treaty is not debated outside of the United States. Everywhere else the language of the treaty is given but one interpretation, and that interpretation precludes the exemption." He also gives an intimation of "matters of even greater delicacy and nearer consequence" with which he will have difficulty in dealing unless the exemption act is repealed.

The distinguished Senator from Massachusetts has aptly expressed this argument in quoting from the Declaration of Independence the words, "a decent respect for the opinions of mankind," to which he added, "and the high position of the United States among the nations of the world."

But in addition to these three, there is still a further argument equally potent in favor of repeal, and that is the traditional and practically uniform policy of the United States in advocating—yes, demanding—the free and equal use of navigable channels or waterways. Our policy in this regard is as near to being invariable as upon any important national question. It is much more constant than our record as regards the relation of the Federal Government to the States or upon tariff or foreign affairs.

Nations, like individuals, have their distinctive qualities, opinions, and aspirations which shape their course and determine their standing among the countries of the world. Thus their movements may be forward or backward. They may advance the cause of human liberty or retard its development. They may promote international confidence or breed discord and repulsion.

German idealism has given to nations the attribute of personality. The great Swiss-German publicist, Bluntschli, says:

> Individual States differ like individual men in spirit, character, and form. * * * While history explains the organic nature of the State, we learn from it at the same time that the State does not stand on the same grade with the lower organisms of plants and animals, but is of a higher kind; we learn that it is a moral and spiritual organism, a great body which is capable of taking up into itself the feelings and thoughts of the nation of uttering them in laws, and realizing them in acts; we are informed of moral qualities and of the character of each State. History ascribes to the State a personality which, having spirit and body, possesses and manifests a will of its own. * * *
>
> The recognition of the personality of the State is thus not less indispensable for public law (Statsrecht) than for international law (Volkerrecht).

The United States from the very beginning insisted upon certain fundamental principles, such as that all men are created equal; that governments derive their just powers from the consent of the governed. The basis of the demand for equal use of channels is found in the essential ideas which actuated the American Revolution. Liberty and equality of rights demanded as a concomitant equality of opportunity and unrestricted progress. Progress and equality of opportunity require common access to those utilities and agencies which are necessary for the use and benefit of mankind.

Thus we see that from the very first our ancestors strenuously insisted upon the abolition of exactions and the removal of restrictions which royal privilege had imposed or which had been accepted as belonging to countries because of favorable location or other advantages. Many of the colonists prior to the Revolution had been actively engaged in trade and in commerce by sea. One of the accusations against King George III in the Declaration of Independence is "for cutting off our trade with all parts of the world."

In the report of the committee of the Continental Congress, in response to the conciliatory resolution proffered by Lord North in 1775, complaint was made that freedom of movement had been denied to the ships of the colonies. The report, submitted to Congress on July 25, 1775, is in the following language:

> On the contrary, to show they mean no discontinuance of injury, they pass acts, at the very time of holding out this proposition, for restraining the commerce and fisheries of the province of New England, and for interdicting the trade of other colonies with all foreign nations and with each other. This proves unequivocally they mean not to relinquish the exercise of indiscriminate legislation over us.

ILLUSTRATIONS OF CLAIM OF NATURAL RIGHTS IN NAVIGABLE STREAMS.

This claim of a natural right was asserted by the Continental Congress during the Revolutionary War in a demand made upon Spain for the free navigation of the Mississippi River. The domain of Spain then extended along the westerly bank of the Mississippi and on the easterly bank from the mouth to the present northerly boundary of the State of Louisiana, parallel 31 of north latitude. On the 6th of August, in the year 1779,

the minister of the United States, Mr. John Jay, was authorized, by resolution—

to conclude with France and Spain a treaty or treaties, offensive or defensive, in which offensive or defensive treaty nevertheless you shall insert on the part of your State a proper article or articles for obtaining the free navigation of the River Mississippi.

The following month a similar resolution was passed and made the basis for instructions to Mr. Jay. The inability to agree on this subject prevented the making of a treaty. Notwithstanding the earnest desire for a treaty of friendship and alliance with Spain, the Members of the Continental Congress refused to enter into any engagement, however favorable, unless the free navigation of the Mississippi was assured.

On the 2d of October, 1780, Benjamin Franklin, in writing a letter to Mr. Jay, said:

Poor as we are, yet as I know we shall be rich, I would rather agree with them (Spain) to buy at a great price the whole of their right on the Mississippi than sell a drop of its waters. A neighbor might as well ask me to sell my street door.

As the war was protracted and the success of the colonies became less promising, the Congress became less insistent. It seems to have been the opinion that the river had been used by the United States without trouble with Spain, and there was no reason to fear that the friendly disposition between the two nations would be interrupted. The minister was authorized, in 1781, if he could not obtain the desired concession, to recede from it. No final agreement, however, was entered into, and the question was left open until the matter was again taken up by Mr. Jefferson in the year 1792, to which I shall make reference later.

The next manifestation of this policy was before the adoption of the Federal Constitution. In the negotiations for the preliminary treaty of 1782 with Great Britain, October 8, 1782, Benjamin Franklin and John Jay, commissioners on behalf of the United States, submitted a draft, which contained the following provision:

Fourthly, That the navigation of the River Mississippi from its source to the ocean shall forever remain free and open, and that both there and in all rivers, harbors, lakes, ports, and places belonging to His Britannic Majesty or to the United States, or in any part of the world, the merchants and merchant ships of the one and the other shall be received, treated, and protected like the merchants and merchant ships of the sovereign of the country. That is to say, the British merchants and merchant ships, on the one hand, shall enjoy in the United States and in all places belonging to them the same protection and commercial privileges and be liable only to the same charges and duties as their own merchants and merchant ships; and, on the other hand, the merchants and merchant ships of the United States shall enjoy in all places belonging to His Britannic Majesty the same protection and commercial privileges and be liable only to the same charges and duties of British merchants and merchant ships, saving always to the chartered trading companies of Great Britain such exclusive use and trade and their respective posts and establishments as neither the subjects of Great Britain nor any of the more favored nations participate in.

This was refused.

On April 29, 1783, the American commissioners presented to Mr. Hartley, the British commissioner, an article for the proposed final treaty giving equal rights to both nations in the navigable waters of each. It was in the following language:

All rivers, harbors, lakes, ports, and places belonging to the United States, or any of them, shall be open and free to the merchants and other subjects of the Crown of Great Britain and their trading vessels, who shall be received, treated, and protected like the merchants and trading vessels of the States in which they may be and be liable to no other charges or duties

And, reciprocally, all rivers, harbors, lakes, ports, and places under the dominion of His Britannic Majesty shall thenceforth be open and free to the merchant trading vessels of the said United States, and of each and every of them, who shall be received, treated, and protected like the merchants and trading vessels of Great Britain and be liable to no other charges and duties, saving always to the chartered trading companies of Great Britain such exclusive use and trade of their respective ports and establishments as neither the other subjects of Great Britain nor any of the most favored nations participate in.

It will thus be seen that a new and advanced principle with reference to freedom of navigation—that of entire equality in the use of both national and international waters—was presented by these eminent patriots, all of whom were so prominent in the early days of this Republic and had so much to do in shaping our institutions and policies.

May 21, 1783, Mr. Hartley made a counter proposition, which only gave equality in import and export duties to the ships of both countries.

The reason why the offer of the American commissioners was not accepted is set forth very fully in the reply of Mr. Hartley, the British commissioner, of May 21, 1783:

A proposition having been offered by the American ministers for the consideration of His Britannic Majesty's ministers and of the British nation for an entire and reciprocal freedom of intercourse and commerce between Great Britain and the American United States in the following words—

Then follows the article suggested by the American commissioners of April 29, 1783, given above:

It is to be observed that this proposition implies a more ample participation of British commerce than the American States possessed even under their former connection of dependence upon Great Britain, so as to amount to an entire abolition of the British act of navigation in respect to the 13 United States of America, and although proceeding on their part from the most conciliatory and liberal principles of amity and reciprocity, nevertheless it comes from them as newly established States, and who, in consequence of their former condition of dependence, have never yet had any established system of national commercial laws, or of commercial connections by treaties with other nations, free and unembarrassed of many weighty considerations, which require the most scrupulous attention and investigation on the part of Great Britain, whose ancient system of national and commercial policy is thus suddenly called upon to take a new principle for its foundation, and whose commercial engagements with other ancient States may be most materially affected thereby. For the purpose, therefore, of giving sufficient time for the consideration and discussion of so important a proposition respecting the present established system of the commercial laws and policy of Great Britain and their subsisting commercial engagements with foreign powers, it is proposed that a temporary intercourse of commerce shall be established between Great Britain and the American States previously to the conclusion of any final and perpetual compact. In this intervening period, as the strict line and measure of reciprocity, from various circumstances, can not be absolutely and completely adhered to, it may be agreed that the commerce between the two countries shall revive, as nearly as can be, upon the same footing and terms as formerly subsisted between them, provided always that no concession on either side in the proposed temporary convention shall be argued hereafter in support of any future demand or claim. In the meantime the proposition above stated may be transmitted to London, requesting (with His Majesty's consent) that it may be laid before Parliament for their consideration. * * * With regard to the West Indies, there is no objection to the most free intercourse between them and the United States. The only restriction proposed to be laid upon that intercourse is prohibiting American ships carrying to those colonies any other merchandise than the produce of their own country. The same observation may be made upon this restriction as upon the former. It is not meant to affect the interests of the United States, but it is highly necessary, lest foreign ships should make use of the American flag to carry on a trade with the British West India Islands.

It is also proposed, upon the same principle, to restrain the ships that may trade to Great Britain from America from bringing foreign merchandise into Great Britain. The necessity of this restriction is likewise evident, unless Great Britain meant to give up the whole navigation act. There is no necessity for any similar restrictions on the part of the American States, those States not having as yet any acts of navigation.

In view of the insistence of Great Britain, the American commissioners were compelled to yield their contention.

The treaty was signed at Paris, September 3, 1783, by John Adams, Benjamin Franklin, and John Jay on behalf of the United States, and by Mr. Hartley for Great Britain.

Article 8 is the only one which refers to navigation. It is as follows:

The navigation of the River Mississippi from its source to its mouth shall forever remain free and open to the subjects of Great Britain and the citizens of the United States.

As regards the refusal to grant reciprocal use of channels, Mr. John Adams, in his diary for Monday, May 19, 1783, volume 3 of his collected works, page 269, says:

Mr. Hartley informed us to-day that the King's council had not agreed to our proposition of putting Britons upon the footing of Americans in all American ports, rivers, etc., and Americans on the footing of Britons in all British ports, rivers, etc. He says he is sorry for this, because he thinks it just and politic, and he shall ever be in Parliament for bringing things to this point.

At a later time the question of the navigation of that portion of the Mississippi River flowing through the territory belonging to Spain was again raised. Mr. Jefferson, then Secretary of State, claimed the right to equal navigation by boats of the United States as a natural right, and in his report in 1792 on negotiations with Spain regarding a treaty relative to the navigation of the Mississippi River he said:

If we appeal to this as we feel it written in the heart of man, what sentiment is written in deeper characters than that the ocean is free to all men and the rivers to all their inhabitants? Is there a man, savage or civilized, unbiased by habit, who does not feel and attest this truth? Accordingly, in all tracts of country united under the same political society we find this natural right universally acknowledged and protected by laying the navigable rivers open to all their inhabitants. When their rivers enter the limits of another society, if the right of the upper inhabitants to descend the stream is in any case obstructed, it is an act of force by a stronger society against a weaker, condemned by the judgment of mankind.

In a treaty framed in 1795 equal use of the Mississippi River was provided for both nations in the portions flowing through territory belonging to Spain south of the thirty-first parallel of north latitude; also in that part which served as the western boundary of the United States. This treaty was ratified in the year 1796, during the administration of President Washington. In the following decade Madison, then Secretary of State under President Jefferson, made the same claim with reference to streams east of the Mississippi passing from the United States through the Floridas.

In a letter dated March 2, 1803, addressed to Messrs. Livingston and Monroe, our representatives in France, he says:

The United States have a just claim to the use of the rivers which pass from their territory through the Floridas. They found their

claims on like principles with those which supported their claims for the use of the Mississippi.

For a long time prior to the beginning of the nineteenth century the Barbary States had been imposing tribute upon vessels passing through the Strait of Gibraltar. Their location made it easy for them, by piratical excursions, to capture merchantmen passing to and from the Mediterranean, and in settlement specific amounts were agreed upon. One singular feature of this situation was that Great Britain gained an advantage from the conditions existing, as her subjects were able to pay $200,000 annually in the way of tribute, while the other countries were unable to meet the demands. Our trade with Mediterranean ports was very considerable. Our shipping had been subjected to these exactions and payments had been made in the form of ransoms for prisoners taken, presents, and otherwise. The amount of these payments, according to a report of the Secretary of the Treasury, amounted to $2,046,000, July 30, 1802. We demanded that our ships have free access to the Mediterranean without the payment of tribute, and engaged in a naval war which, in the heroism displayed, is one of the most notable pages in the history of the American Navy. Our contention for the free use of this strait and for undisturbed navigation of the Mediterranean was conceded by the Barbary States. The courageous stand of this Republic for the rights of our shipping and for the freedom of commerce inured to the benefit of all the commercial nations of the globe.

In the meantime the right of free and equal navigation of international rivers and waterways began to be asserted in Europe. This right had been maintained by the Romans and was affirmed in the institutes of Justinian, but was generally denied after the ninth century. Although Grotius had maintained the principle of equal use of rivers, a contrary view prevailed in Europe until the French Revolution. The French Republic sought to open the Rhine and other rivers to the free navigation of nations bordering upon it.

The treaty of Paris, May 30, 1814, after the fall of Napoleon, went much further, and laid down the rule of free navigation not solely for bordering States but for all States. This rule was definitely established for the Rhine, and the treaty provided that in a future congress the general principle should be considered of extending the same rule to all other streams which in their navigable course separated or traversed different states.

At the congress of Vienna, in the following year, articles 108 to 116, the general principle was laid down. On the 3d of May, 1815, a treaty between Austria and Russia declared the navigation of the rivers and canals of the ancient Kingdom of Poland to be free, so as not to be interdicted by any inhabitant of the Polish Provinces subject to either the Russian or Austrian Governments. There was a similar treaty between Russia and Prussia touching the waterways of Poland. In 1815 and 1821 treaties were entered into between Prussia and other States relating to the navigation of the Elbe. In 1856 the countries bordering on the Danube provided for freedom of navigation upon it. Similar treaties were entered into in regard to the Po between Austria and two States of Italy. The river Douro, by a treaty between Portugal and Spain of August 31, 1835, was declared to be free. The treaty of Berlin, in 1885, proclaimed the principle of liberty and equality in the largest degree for the Kongo and the Niger, expressly extending the agreement not merely to rivers, large and small, but to lakes, the canals connecting them, and still further, to highways and railways connecting with these waterways.

The settled contention of the United States was again maintained during the administration of President Monroe. The administration in 1823 began negotiations with Great Britain relative to the right of inhabitants of the United States to navigate the St. Lawrence. It was stated that this right had never been discussed with Great Britain, but was referred to as one which might be established upon the "general principles of the law of nature." Mr. Adams, the Secretary of State, in his instructions to our embassy at London, declared the United States bound to maintain for its people in Michigan, Illinois, and so forth, "the natural right of communicating with the ocean by the only outlet provided by nature from the waters bordering upon their shores." He admitted that possession of both shores and the mouth had been held to give the right of obstructing or interdicting navigation to the people of other nations, but claimed that the river was "a right of nature preceding it in point of time and which the sovereign right of one nation can not annihilate as belonging to the people of another." He cited the acts of the congress of Vienna declaring navigation of various rivers "free to *all* nations." Great Britain, however, was willing to treat the claim as a concession for which an equivalent must be obtained.

Under the reciprocal treaty of 1854, terminated March 17, 1866, the right of reciprocal navigation of the St. Lawrence was granted and in return therefor Lake Michigan was opened to British subjects, together with an engagement on the part of our Government to urge upon the State governments the use of several State canals on terms of equality. The treaty of 1871 again gave the right of navigating the St. Lawrence and the Canadian canals, and the British subjects were given a like right to the use of American canals. These rights were confirmed in the more recent treaty of 1909–10 relating to boundary waters between the United States and Canada.

The United States was the country most insistent upon exemption from tolls charged by the Danish Government on vessels and cargoes passing through the sound and the two belts which form a passage from the North Sea into the Baltic. These tolls had been imposed on the ground of immemorial usage, beginning in the fourteenth century and sanctioned by a long succession of treaties. The passage through the strait was aided by lights upon Danish territory, and the course of vessels was within cannon shot of land owned by Denmark on both sides.

Under a treaty concluded in 1826 the United States received for its vessels and their cargoes the most-favored-nation treatment under a provision that our ships should not pay higher or other duties than those paid by other countries; but in the year 1844, under the administration of President Tyler, Mr. Calhoun, then Secretary of State, maintained that Denmark had no right to levy duties on vessels passing through the sound from the North Sea to the Baltic, that such a charge was contrary to the public law of nations under which the navigation of the two seas connected by the straits should be free to all nations and therefore the navigation of the channel by which they are connected ought also to be free. He maintained that the foundation of the claim was made in a "remote and barbarous age, even before the discovery of America." It appears that in a preceding period of 16 years, 1828 to 1843, both inclusive, the average annual amount collected from American shipping was $107,467.71, and in addition there were other charges for "light money," and so forth. The amount of the tonnage of American ships going through the sound during a year was about 21,000 tons, both going and returning. Negotiations continued for a considerable time and in the year 1857 a treaty was framed under which the navigation of the sound and belts was declared free to American vessels on payment of $393,000.

There has been much diplomatic correspondence in regard to rivers in South America. Most of the countries in that continent have shown a liberal policy in opening their rivers to navigation for the merchant vessels of all nations. A decree to that effect was issued by the Argentine Confederation on the 3d of October, 1852, relating to the Rivers Parana and Uruguay. Mr. Secretary Clayton, in 1850, stated that the Department of State had for some time past in contemplation measures for procuring for the citizens of the United States the navigation of the River Amazon and some of its tributaries.

Bolivia, in 1853, declared its navigable waters free to the commerce and navigation of all nations of the globe. Brazil for a time opposed, and Secretary Marcy, under President Pierce's administration, sought the removal of restrictions upon the navigation of the Amazon. In a letter to our minister to Brazil he said:

> The most important object of your mission, an object to which you will devote your early and earnest efforts, is to secure to the citizens of the United States the free use of the Amazon. * * * The restricted policy, which it is understood Brazil still persists in maintaining in regard to navigable rivers passing through her territory, is the relic of an age less enlightened than the present. * * * You are instructed to claim for our citizens the use of this natural avenue of trade. This right is not derived from treaty stipulations. It is a natural one, as much so as that to navigate the ocean, the common highway of nations.

A treaty was framed by Bolivia in 1858 in which that State declared the River Amazon and the River La Plata, with their tributaries, to be highways or channels opened by nature to the commerce of all nations. The Government of Brazil, by a decree of December 7, 1866, opened the navigation of the Amazon to the vessels of all nations from September 7, 1867. In 1868 the President of Peru issued a decree declaring the navigation of all the rivers of that Republic open to merchant vessels, whatever their nationality.

In the year 1878 it was reported to the State Department that the Argentine Republic and Chile were proposing to exclude foreign ships from free passage through the Straits of Magellan. On this subject Mr. Secretary Evarts wrote to our minister, Mr. Osborn, on the 18th of January, 1879:

> The Government of the United States will not tolerate exclusive claim by any nation whatsoever to the Straits of Magellan and will

hold responsible any government that undertakes, no matter on what pretext, to lay any impost or check on United States commerce through these straits.

Other countries protested also, and as a result a treaty was entered into between the Argentine Republic and Chile on the 13th of June, 1888, which provides in article 15 that—

The Magellan Straits are neutralized forever and free navigation is guaranteed to the flags of all nations. To insure this neutrality no fortifications or military defenses shall be created that could interfere with this object.

I have not by any means given all the instances in which, by diplomatic correspondence or otherwise, the United States has insisted upon the free and equal use of navigable channels, nor have we refused to grant the same privilege to other nations. In the year 1871 equality was granted in the Yukon, the Porcupine, and the Stikine Rivers, flowing from the British possessions into Alaska. The foregoing, however, show a uniform policy, to which there have been but insignificant exceptions. For example, prior to the abolition of tolls on the Erie Canal in the year 1882 the State of New York imposed higher charges in the canal upon salt mined in Canada than upon that mined in the State of New York. This was a protective measure of a very drastic character, and was actuated, no doubt, by the fact that the State of New York owned salt mines near Syracuse. The correspondence of Mr. Blaine in regard to a closed sea in the neighborhood of the Pribilof Islands is another apparent exception.

The stand taken at that time was due to the very exceptional conditions existing.

In the treaty of cession of Alaska the boundary line was a long distance from the shore, and for the preservation of the seal herds on the islands it was thought essential to control a large section of the sea outside of the 3-mile limit because of the habits of the seal. Our contention in this regard was submitted to arbitration and the decision was unfavorable to the United States. In 1892 Secretary of State Foster maintained that the Hudson River was exclusively a national stream, and that the natural right of navigation did not exist. It must be said that this latter contention is not altogether in line with our general policy.

This opinion was in response to a claim on the part of Canada of the right to send boats from the Champlain Canal down the Hudson to its mouth. Canada gave our refusal to accept this claim as a reason for the discriminatory regulations in regard to the Welland Canal and other waters, which gave rise to the controversy of 1888–1892.

DECLARATIONS OF THE UNITED STATES MADE IN CONTEMPLATION OF THE CONSTRUCTION OF AN ISTHMIAN CANAL.

It is not necessary for us to rely upon precedents of a general nature. The most conclusive proof of the policy of the United States is to be found in the action of this Senate, the House, and of Presidents and Secretaries of State in relation to the very project under consideration, namely, the construction of an isthmian canal connecting the Caribbean Sea with the Pacific Ocean. The intention to make this artificial waterway open to all nations on terms of entire equality has been manifested in the most unequivocal language, not only by the executive and legislative departments of the Government but by men of all political parties, Democratic, Whig, and Republican, and that, too, in the life of almost every administration which has had this subject under consideration during nearly 90 years. There has been hardly a dissenting note in all this period except in the act of 1912.

After independence had been achieved by the Central and South American Republics it was proposed to hold a conference on the Isthmus of Panama. Messrs. Anderson and Sergeant were chosen delegates to this proposed gathering, though they were unable to attend. Instructions were framed for them by Henry Clay, then Secretary of State under John Quincy Adams. Mr. Clay was so proud of these instructions that when, in his declining years, his friends proposed to prepare a medal in commemoration of his political career, he chose the words "Panama instructions" for one inscription upon this medal as commemorating one of the most notable acts of his whole life. The following is the direction which he gave to the delegates, Messrs. Anderson and Sergeant, in regard to a proposed canal:

A cut or a canal for purposes of navigation somewhere through the Isthmus that connects the two Americas to unite the Pacific and Atlantic Oceans will form a proper subject of consideration at the congress. That vast object, if it should be ever accomplished, will be interesting in a greater or less degree to all parts of the world. But to this continent will probably accrue the largest amount of benefit from its execution, and to Colombia, Mexico, the Central Republics, Peru, and the United States more than to any other of the American nations. What is to redound to the advantage of all America should be effected by common means and united exertions and should not be left to the separate and unassisted efforts of any one power. * * * *If the work should ever be executed so as to admit of the passage of sea vessels from ocean to ocean, the benefits of it ought not to be exclusively appropriated to any one nation, but should be extended to all parts of the globe upon the payment of a just compensation or reasonable tolls.*

It is well to notice in this connection that the fear the Monroe doctrine may be interfered with by granting equal rights as to tolls on ships passing through the Panama Canal must be without foundation. John Quincy Adams, as Secretary of State in the Cabinet of President Monroe, had been most prominent in formulating the principles which constituted the so-called Monroe doctrine. Barely four years later, after he had become President, his Secretary of State, undoubtedly with his approval, wrote instructions to the effect that the benefits of the proposed canal ought not to be exclusively appropriated to any one nation, but should be extended to all parts of the globe.

In the year 1835, during the administration of President Jackson, the Senate of the United States unanimously adopted a resolution, as follows:

Resolved, That the President of the United States be respectfully requested to consider the expediency of opening negotiations with the Governments of other nations, and particularly with the Governments of Central America and New Granada, for the purpose of effectually protecting, by suitable treaty stipulations with them, such individuals or companies as may undertake to open a communication between the Atlantic and Pacific Oceans by the construction of a ship canal across the isthmus which connects North and South America, and of securing forever by such stipulations *the free and equal right of navigating such canal to all such nations* on the payment of such reasonable tolls as may be established to compensate the capitalists who may engage in such undertaking and complete the work.

Mr. Charles Biddle was appointed in pursuance of this resolution by President Jackson and obtained from the Government of New Granada an exclusive grant to the citizens of the United States to construct a canal. Mr. Biddle's action was expressly disavowed.

During the administration of President Van Buren, in a report to the House of Representatives March 2, 1839, Mr. Mercer, of Virginia, from the Committee on Roads and Canals, stated:

The policy is not less apparent which would prompt the United States to cooperate in this enterprise, liberally and efficiently, before other disposition may be awakened in the particular State within whose territory it may be ceded *or other nations* shall seek by negotiations *to engross a commerce which is now and should ever continue open to all.*

In the same year the House of Representatives by unanimous vote adopted a resolution much the same as that of the Senate in 1835, requesting the President—

to consider the expediency of opening or continuing negotiations with the Governments of other nations, and particularly with those the territorial jurisdiction of which comprehends the Isthmus of Panama, and to which the United States have accredited ministers or agents, for the purpose of ascertaining the practicability of effecting a communication between the Atlantic and Pacific Oceans by the construction of a ship canal across the Isthmus *and of securing forever by suitable treaty stipulations the free and equal right of navigating such canal by all nations.*

In a letter to Mr. Buchanan, Secretary of State, on December 17, 1845, the commissioner accredited to examine a canal route said:

Like all other international questions, it can only be satisfactorily adjusted by concert with the other maritime powers which have similar interests, more or less important, and whose assent is necessary to place the proposed passage under the protection and guaranty of the public law, recognized by the whole world.

On the conclusion of the treaty with New Granada in 1846 President Polk submitted it to the Senate with a message, in which he said:

In entering into the mutual guaranties proposed by the thirty-fifth article neither the Government of New Granada nor that of the United States has a narrow or exclusive view. *The ultimate object*, as presented by the Senate of the United States in their resolution (Mar. 3, 1835), to which I have already referred, *is to secure to all nations the free and equal right of passage over the Isthmus.*

In the meantime conditions had arisen which had an important bearing upon the question of an isthmian canal. In the year 1846 our forces had taken possession of California, and it was evident a great area fronting on the Pacific coast would be annexed to the United States. Communication with California was regarded as a matter of immediate and pressing importance, especially as the route overland was exceedingly difficult. The desire for a canal was naturally very much intensified. The treaty with New Granada, which provided for a route across the Isthmus, was concluded in December, 1846, but was not ratified by the Senate until June 3, 1848. In the meantime the treaty of Guadalupe-Hidalgo had been ratified, and California was an assured portion of the United States.

In the consideration of routes the Nicaraguan route had gained in favor in comparison with the route across the Isthmus of Panama. The situation which confronted us was that England had possession of that part of the coast of Nicaragua and Costa Rica in which lay the Atlantic terminus of the proposed route through Nicaragua; also Great Britain maintained a naval squadron in the West Indies, and then, as now, possessed

important islands. All these circumstances gave her a great advantage in any plan for a route between the two oceans. Thus it was not Great Britain but the United States which at that time was endeavoring to secure absolute neutrality and equality for the isthmian route.

From the beginning our traditional policy had favored no discrimination in the enjoyment of straits, canals, and rivers, and in this particular instance our interests reenforced that traditional policy. Negotiations from this time on can not be understood without taking into account the desire to obtain under manifest disadvantages equality of treatment in any route across the Isthmus.

In the next administration, that of President Taylor, our Secretary of State, Mr. Clayton, opened negotiations with Great Britain with a view to adjusting the differences between the two countries, Mr. Rives, our minister to France, being appointed to submit the views of the United States to Lord Palmerston. Mr. Rives, in his letter to Secretary Clayton of September 25, 1849, describes his interview with Lord Palmerston and states that in pursuance of his instructions he had said to him:

That the United States, moreover, as one of the principal commercial powers of the world, and the one nearest to the scene of the proposed communication, and holding, besides, a large domain on the western coast of America, had a special, deep, and national interest in the free and unobstructed use, in common with other powers, of any channel of intercourse which might be opened from the one sea to the other; * * * *that the United States sought no exclusive privilege or preferential right of any kind in regard to the proposed communication, and their sincere wish, if it should be found practicable, was to see it dedicated to the common use of all nations on the most liberal terms and a footing of perfect equality for all; * * * that the United States would not, if they could, obtain any exclusive right or privilege in a great highway which naturally belonged to all mankind.* * *

President Taylor in his first annual message to Congress, December 4, 1849, said:

* * * All States entering into such a treaty will enjoy the right of passage through the canal on payment of the same tolls. The work, if constructed under these guaranties, will become a bond of peace instead of a subject of contention and strife between the nations of the earth. Should the great maritime States of Europe consent to this arrangement (and we have no reason to suppose that a proposition so fair and honorable will be opposed by any), the energies of their people and ours will cooperate in promoting the success of the enterprise. * * * Should such a work be constructed under the common protection of all nations, for equal benefit to all, it would be neither just nor expedient that any great maritime State should command the communication. The territory through which the canal may be opened ought to be freed from the claims of any foreign power. *No such power should occupy a position that would enable it hereafter to exercise so controlling an influence over the commerce of the world or to obstruct a highway which ought to be dedicated to the common use of mankind.*

In a letter to Lord Napier, the British minister, September 10, 1857, Mr. Lewis Cass, Secretary of State under President Buchanan, said:

While the rights of sovereignty of the local governments must always be respected, other rights also have arisen in the progress of events involving interests of great magnitude to the commercial world and demanding its careful attention and, if need be, its efficient protection. In view of these interests and after having invited capital and enterprise from other countries to aid in the opening of these great highways of nations under pledges of free transit to all desiring it, *it can not be permitted that these Governments should exercise over them an arbitrary and unlimited control or close them or embarrass them without reference to the wants of commerce or of the intercourse of the world.* Equally disastrous would it be to leave them at the mercy of every nation which in time of war might find it advantageous for hostile purposes to take possession of them and either restrain their use or suspend it altogether.

The President hopes, by the general consent of the maritime powers, all such difficulties may be prevented and the interoceanic lines, with the harbors of immediate approach to them, may be secured beyond interruption to the great purposes for which they were established.

In 1862 there was a disturbance upon the Isthmus of Panama which we were called upon to pacify. The note of Mr. Seward, then Secretary of State under President Lincoln, to Mr. Adams is particularly significant, because by the treaty of 1846–1848 with New Granada we had absolutely equal privileges with that country in traffic across the Isthmus. Further, an obligation rested upon us by the same treaty, article 35, to maintain order there, yet Mr. Seward claimed no special privileges for the United States. In his note to Mr. Adams, our minister to London, he said, in speaking of the disturbances which had occurred:

This Government has no interest in the matter different from that of other maritime powers. It is willing to interpose its aid in execution of its treaty and further equal benefit of all nations.

And again, during the term of President Johnson, under date of January 18, 1869, Secretary Seward expressed himself in the same manner.

In the administration of President Grant, Secretary Fish wrote:

* * * A Darien Canal should not be regarded as hostile to a Suez Canal; they will not be so much rivals as joint contributors to the increase of the commerce of the world, and thus mutually advance each other's interests. * * * We shall * * * be glad of any movement which shall result in the early decision of the question of the most practicable route and the early commencement and speedy completion of an interoceanic communication which shall be guaranteed in its perpetual neutralization and dedication to the commerce of all nations, without advantages to one over another of those who guarantee its assured neutrality. * * *

* * * the benefit of neutral waters at the ends thereof for all classes of vessels entitled to fly their respective flags, with the cargoes on board, on equal terms in every respect as between each other.

About the year 1880 the opinion became prevalent that whatever canal might be constructed should be under the exclusive supervision and protection of our own country. This view was maintained by President Hayes. An attempt was made soon after to repudiate the Clayton-Bulwer treaty. Notwithstanding this change of opinion, equality among nations was promised by us as distinctly as theretofore.

Secretary Blaine, Secretary of State under the administration of President Garfield, in 1881, in two letters gave the following instructions to Mr. Lowell, our minister to England:

First, that of June 24, 1881:

Nor, in time of peace, does the United States seek to have any exclusive privileges accorded to American ships in respect to precedence or tolls, through an interoceanic canal any more than it has sought like privileges for American goods in transit over the Panama Railway, under the exclusive control of an American corporation. The extent of the privileges of American citizens and ships is measurable under the treaty of 1846 by those of Colombian citizens and ships. *It would be our earnest desire and expectation to see the world's peaceful commerce enjoy the same just, liberal, and rational treatment.*

It should be noted that at that time the Panama Railway, an American corporation, was available for the commerce of all nations, without any discrimination whatever. Mr. Blaine proposes that the policy of the United States in regard to tolls shall be the same as that of the Panama Railway, which charged equal rates for all.

Second, that of November 19, 1881:

In assuming as a necessity the political control of whatever canal or canals may be constructed across the Isthmus, the United States will act in an entire harmony with the Governments within whose territory the canals should be located. Between the United States and the other American Republics there can be no hostility, no jealousy, no rivalry, no distrust. This Government entertains no design in connection with this project for its advantage which is not also for the equal or greater advantage of the country to be directly and immediately affected; nor does the United States seek any exclusive or narrow commercial advantage. *It frankly agrees, and will by public proclamation declare at the proper time, in conjunction with the Republic on whose soil the canal may be located, that the same rights and privileges, the same tolls and obligations for the use of the canal shall apply with absolute impartiality to the merchant marine of every nation on the globe and equally, in the time of peace, the harmless use of the canal shall be freely granted to the war vessels of other nations.*

Lord Granville replied as follows:

* * * such communication concerned not merely the United States or the American Continent, but, as was recognized by article 6 of the Clayton-Bulwer treaty, the whole civilized world, and that she would not oppose or decline any discussion for the purpose of securing on a general international basis its universal and unrestricted use. * * *

President Cleveland, in his first annual message to Congress, said:

* * * *Whatever highway may be constructed across the barrier dividing the two greatest maritime areas of the world must be for the world's benefit—a trust for mankind,* to be removed from the chance of domination by any single power, nor become a point of invitation for hostilities or a prize for warlike ambition. * * * These suggestions may serve to emphasize what I have already said on the score of the necessity of a neutralization of any interoceanic transit; and this can only be accomplished by making the uses of the route open to all nations and subject to the ambitions and warlike necessities of none.

In the second administration of President Cleveland Secretary of State Olney made the following memorandum:

* * * That the interoceanic routes there specified should, under the sovereignty of the States traversed by them, *be neutral and free to all nations alike.* * * *

Then, in speaking of the Clayton-Bulwer treaty, he said:

* * * Under the circumstances, upon every principle which governs the relations to each other, either by nations or of individuals, the United States is completely estopped from denying that the treaty is in full force and vigor.

It may be said that most of the above declarations were made when it was anticipated that the canal would be built by private capital. While no possible reason can exist for a change in the principles applicable in case the canal should be built by our Government, the following declarations were made after the time when it was contemplated that the United States should build and operate the canal.

There was no more decisive note in favor of neutrality and equality than that uttered by Senator Davis, then chairman of the Committee on Foreign Relations, and announced after it was decided that the building and operation of the canal should be a national enterprise. The whole of his report should be read, but the following are pertinent portions:

In the origin of our claim to the right of way for our people and our produce, armies, mails, and other property through the canal, we offer to dedicate the canal to the equal use of mankind. As to neutrality and the exclusive control of the canal and its dedication to universal use, the suggestions that were incorporated in the Clayton-

Bulwer treaty came from the United States and were concurred in by Great Britain. In no instance has the Government of the United States intimated an objection to this treaty on account of the features of neutrality, its equal and impartial use by all other nations. * * * No American statesman, speaking with official authority or responsibility, has ever intimated that the United States would attempt to control this canal for the exclusive benefit of our Government or people. They have all, with one accord, declared that the canal was to be neutral ground in time of war, and always open on terms of impartial equity to the ships and commerce of the world. * * * The United States can not take an attitude of opposition to the principles of the great act of October 22, 1888, without discrediting the official declarations of our Government for 50 years on the neutrality of an Isthmian Canal, and its equal use by all nations without discrimination. To set up the selfish motive of gain by establishing a monopoly of a highway that must derive its income from the patronage of all maritime countries would be unworthy of the United States if we owned the country through which the canal is to be built. * * * The Suez Canal makes no discrimination in its tolls in favor of its stockholders; and, taking its profits, or the half of them, as our basis of calculation, we will never find it necessary to differentiate our rates of toll in favor of our own people in order to secure a very great profit on the investment.

President Roosevelt, in submitting the second Hay-Pauncefote treaty, said:

It specifically provides that the United States alone shall do the work of building and assume the responsibility of safeguarding the canal and shall regulate its neutral use by all nations on terms of equality without the guaranty of interference of any outside nation from any quarter. * * *

Again, he says, on January 4, 1904, in a special message:

* * * Under the Hay-Pauncefote treaty it was explicitly provided that the United States should control, police, and protect the canal which was to be built, *keeping it open for the vessels of all nations on equal terms.* The United States thus assumes the position of guarantor of the canal and of its peaceful use by all the world.

In a note by Secretary Hay on the following day, he states:

* * * The Clayton-Bulwer treaty was conceived to form an obstacle, and the British Government therefore agreed to abrogate it, the United States only promising in return to protect the canal and keep it open on equal terms to all nations, *in accordance with our traditional policy.*

Aside from correspondence and declarations relating to the proposed Isthmian Canal, two negotiations remain very nearly contemporaneous with the date of the Hay-Pauncefote treaty, both of which are in entire accordance with our settled national policy, but which in their bearing upon the interpretation of the Hay-Pauncefote treaty far outweigh all the preceding, not only because of the similarity in the questions involved but because of the further fact that they are so nearly contemporaneous with the negotiation of the treaty. The facts pertaining to them must have been clearly in mind when the treaty was framed. They are:

First, our negotiations in relation to the so-called open door in China in 1899 and succeeding years. Great Britain, Germany, France, Russia, and Japan were the countries regarded as possessing, though in unequal degrees, an advantageous position in China. Great Britain had received a concession of the island of Hongkong in the year 1841 and had acquired a peninsula, known as Kowloon, opposite the island of Hongkong; also a 99-year lease of a tract of territory on the mainland in the Province of Kwangtung, in the extreme southern part of China. This was acquired in 1898. The total area of this last concession was 400 square miles, with a population in 1911 of 366,145. Also in 1898 the port of Weihaiwei was leased for so long a period as Port Arthur should remain in the hands of Russia, the object of which was to provide Great Britain with a suitable naval harbor in northern China and for the better protection of British commerce in the neighboring seas. The area of the territory under this lease was 285 square miles, with a population of 150,000. The lease was extended under an agreement in which provision is made that it (Weihaiwei) shall remain in the occupation of the British "so long as Port Arthur remained in the hands of any foreign power"—that is, any power other than China. Port Arthur now belongs to Japan.

Germany had a 99-year lease, granted in 1898, of Kiao-Chau, including the bay of the same name, its islands, and the north and south tongues of land at the mouth of the harbor. The extent of this is 193 square miles. In view of the possessions held, Great Britain has a sphere of influence in the Yangtze Valley and Germany a similar area of about 2,750 miles, but now extended to the whole of the Province of Shantung.

France at that time had, under a lease for 99 years, given in 1898, the port of Kuang-chou-wan to establish a naval station with coaling depot, together with adjoining islands and territory in the Province of Kwangtung in the extreme southern part of China, some 300 miles west of the British island of Hongkong. The area included in this is 325 square miles, with a population of 190,000. The sphere of influence has extended over the Yunnan Province.

Russia had a 25-year lease, granted in 1898, of Liao-Tung Peninsula, including Port Arthur, Ta-lien-wan, and the adjacent waters. The area of the land included in this lease was about 2,000 square miles, in which Port Arthur and Ta-lien-wan were the principal ports. This sphere of influence extended into South Manchuria; Russia also had a lease of land necessary for the construction of a railway 508 miles long, leading from Port Arthur to Kwanchengtsee, and another road 150 miles long, leading from Antung on the Yalu River, which is the boundary between Korea and Shengking Province, to the city of Mukden.

Each of these countries had also garrisons and a naval force in their respective spheres of influence. It was apparent that these possessions gave them a very substantial advantage in the trade of China, and it was the aim of President McKinley and Secretary Hay to obtain for our own citizens equal rights in all the Chinese Empire. With that purpose in view assurances had been given to our ambassador by the Russian minister of foreign affairs that American interests should in no way be prejudiced by Russian occupation and influence, and it was not the desire of Russia to interfere with the trade of other nations. There was an imperial decree of July 30, 1899, creating the free port of Dalny, near Ta-lien-wan Bay, and establishing free trade for the adjacent territory. In a letter to our ambassador at St. Petersburg, Mr. Hay said:

However gratifying and reassuring such assurances may be in regard to the territory actually occupied and administered it can not but be admitted that a further, clearer, and more formal definition of the conditions which are henceforth to hold within the so-called Russian "sphere of interest" in China as regards the commercial rights therein of our citizens is much desired by the business world of the United States, inasmuch as such a declaration would relieve it from the apprehensions which have exercised a disturbing influence during the last four years on its operations in China.

Mr. Hay accordingly laid down certain principles which he desired should be formally declared by the Russian Empire and by all the great powers interested in China. Of these principles he said they "will be eminently beneficial to the commercial interests of the whole world":

First. The recognition that no power will in any way interfere with any treaty port or any vested interest within any leased territory or within any so-called "sphere of interest" it may have in China.

Second. That the Chinese treaty tariff of the time being shall apply to all merchandise landed or shipped to all such ports as are within said "sphere of interest" (unless they be "free ports"), no matter to what nationality it may belong, and that duties so leviable shall be collected by the Chinese Government.

Third. That it will levy no higher harbor dues on vessels of another nationality frequenting any port in such "sphere" than shall be levied on vessels of its own nationality, and no higher railroad charges over lines built, controlled, or operated within its "sphere" on merchandise belonging to citizens or subjects of other nationalities transported through such "sphere" than shall be levied on similar merchandise belonging to its own nationals transported over equal distances.

Special attention is called to the third of the principles, the recognition of which was requested. It included a demand that no higher railroad charges over lines built, controlled, or operated within its sphere on merchandise belonging to the citizens or subjects of other nationalities should be levied than on similar merchandise belonging to its own nationals.

An identical note containing the request for recognition of the three principles was sent to France, Germany, and Russia on the same date, September 6, 1899. This same note was transmitted to Great Britain on September 22, 1899, from the London embassy; to Japan, November 13, 1899; and to Italy, November 17, 1899. The reply of Russia, dated December 30, 1899, stated that Russia had already declared Ta-lien-wan a free port, thus demonstrating its friendly intention to follow the "open-door" policy as to territory lying in the so-called "sphere of influence," and that Russia intended to claim no privileges to the exclusion of foreigners, though this assurance was given on condition that a similar declaration should be made by the other powers. Before the close of the year the other powers made a similar declaration, and under date of March 20, 1900, Secretary Hay sent instructions to all the Governments concerned, stating that all the powers had given their acceptance and that the Government of the United States would consider such acceptance final and binding.

We thus demanded equal use of the ports controlled by these various nations, equal privileges in trade, and, what is most significant of all, equal railroad rates upon railways constructed by Russia at great expense and extending into the interior through Chinese territory to a connection with railways within her own domains.

The insistence upon equal opportunity for American enterprise in China was carried so far that in 1902 Secretary Hay stated that an agreement by which China "ceded to any corporation or company" the exclusive right to open mines, establish railroads, or in any other way industrially develop Manchuria, can but be viewed with the gravest concern by the Government of the United States. He alleged this was so, because such a monopoly was a distinct breach of the stipulations of the treaties concluded between China and foreign powers, and

thereby seriously affected the rights of American citizens. He concluded by saying:

The inevitable result must be the complete wreck of the policy of absolute equality of treatment of all nations in regard to trade, navigation, and commerce within the confines of the Empire.

The following year, 1903, Mr. Hay entered a protest against the demand of the Russian Government that no foreigners, except Russians, should be employed in the public service.

It is often said that we made a bad bargain when the Hay-Pauncefote treaty was framed. This statement has been repeatedly made. The conclusive answer to that is contained in a very few words in a note by Secretary Hay of January 5, 1904, to which reference has already been made:

The Clayton-Bulwer treaty was conceived to form an obstacle—that is, to the construction of an Isthmian Canal by us—and the British Government therefore agreed to abrogate it. The United States only promised in return to protect the canal and keep it open on equal terms to all nations, *in accordance with our traditional policy.*

Not only was the treaty in accordance with our traditional policy, but negotiations had been initiated contemporaneously with the negotiations with the various nations in China for an "open door," and it would have been the height of inconsistency to have made the demand for equality of treatment in China and to have denied it in a treaty relating to an Isthmian canal.

Our record was so uniform and unbroken that we could have taken no other ground. The attempt by John Adams and Franklin and Jay in the years 1782 and 1783 pointed a new way as emphatically and as decisively as any of the great principles which lie at the foundation of our Government, and were just as strenuously maintained.

Mr. GALLINGER. Mr. President, I know the Senator prefers not to be interrupted, but I should like to ask him how that traditional policy is to be squared with our coastwise laws.

Mr. BURTON. Navigation is one thing, commerce is another. There are two reasons for giving a monopoly to domestic or coastwise traffic which are commonly observed the world over. One is the avoidance of smuggling; the other is the building up of a merchant marine. Navigation and commerce are very widely apart. You might as well say, "Why does a nation restrict ownership on the ground but place no restrictions on the air?"

Mr. GALLINGER. If I understood the Senator correctly—and I shall not interrupt him further—in the early part of his most interesting address he cited over and over again the fact that all of our waterways were to be open on terms of equality to all the nations of the world.

Mr. BURTON. Yes.

Mr. GALLINGER. Under that system I am sure England could have engaged in our coastwise trade. Later on we legislated to prohibit it.

Mr. BURTON. There, again, is the difference between commerce and navigation. I shall treat of that later on.

Mr. GALLINGER. I can not see the difference; but still——

Mr. BURTON. The Senator from North Dakota [Mr. MCCUMBER] informs me that Senator Morgan even more strongly expressed himself on this subject.

Mr. GALLINGER. While the Senator is reading what has been handed to him, I will say to the Senator that I shall be delighted to listen to the discussion whereby he is going to differentiate between commerce and navigation. If navigation does not control commerce in a very important particular, I have not correctly interpreted the term.

Mr. BURTON. There is a very great difference between the use of channels and the privilege of trading in them or in towns upon them. There must be, just so long as nations have their policy of protective duties or fiscal regulations.

Senator Morgan said:

All that is left of this general treaty is the general principle provided in article 8 of the Clayton-Bulwer treaty. That is, that the vessels of all nations using the canal should be treated with exact equality, without discrimination in favor of the vessels of any nation.

Again he says:

Then this convention, in article 2, proceeds to define and formulate into an agreement, intended to be world-wide in its operation, "the general principle of neutralization," established in article 8 of the Clayton-Bulwer treaty on the basis of the treaty of Constantinople of October, 1888, relating to the Suez Canal.

Nothing is given to the United States in article 2 of the convention now under consideration, nor is anything denied to us that is not given or denied to all other nations.

Putting us on an exact footing of equality with them. I am much obliged to the Senator from North Dakota for presenting this to me.

Second. Our demands in relation to Canadian waterways in 1888 to 1892.

On the 15th of July, 1912, in some remarks in the Senate I set forth at length the transactions with Canada at the time mentioned. The Canadian Government in council had in substance decreed that while the tolls on cargoes carried through the Welland Canal should be 20 cents per ton on eastbound freight, yet if the boat went as far as Montreal there should be a rebate of 18 cents a ton, leaving the net toll only 2 cents. This gave a preference to the port of Montreal as compared with the ports of the United States on Lake Ontario, the St. Lawrence River, and, in fact, upon the north Atlantic seaboard. Its manifest object was to increase the importance of Montreal as a port for the export of grain and other commodities. I do not wish to repeat the remarks made at that time. They appear on pages 9065 and 9066 of the CONGRESSIONAL RECORD for the Sixty-second Congress, second session.

The Senator from Georgia [Mr. SMITH] on last Tuesday set forth at length the messages of Presidents Cleveland and Harrison and the memoranda on this subject in the State Department, the discussion of a resolution in the House and Senate, which resolution by unanimous vote authorized the President to issue a proclamation in retaliation; also the proclamation in retaliation of August 18, 1892. This action led to a revocation of the regulation of the Canadian Government by order of the council, so that equal privileges were afforded to the ships and commerce of both nations.

The distinct assertion by all of our statesmen who took part in this controversy or declared themselves upon the subject was that by the treaty of 1871 equality of treatment was secured not only for our shipping but for our citizens, that regard must be had for the routes of transportation to prevent discrimination against the United States in trade. But it should be very carefully noted that the treaty of 1871 did not contain so strong language as the Hay-Pauncefote treaty of 1901. Indeed, it is not only plausible but extremely probable that the language of the treaty of 1871 was in mind when that of 1901 was drawn, and that the object was to secure equality beyond the possibility of any ambiguity. The language of the treaty of 1871 is:

The Government of Her Britannic Majesty engage *to urge* upon the Government of the Dominion of Canada to secure to the citizens of the United States the use of the Welland, St. Lawrence, and other canals in the Dominion *on terms of equality with the inhabitants of the Dominion.*

The language of the Hay-Pauncefote treaty is:

The canal *shall be free and open* to the vessels of commerce and of war of all nations observing these rules on terms of *entire* equality, *so that there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic, or otherwise.*

There is no question of territory involved in Canadian canals, either the Welland or those below Lake Ontario beside the rapids along the St. Lawrence River. They are all within the Dominion of Canada. It was not necessary to acquire the land through which they pass to build a canal as "a trust for the world." The argument in favor of the right of exclusion is, we must admit, much stronger than it is in the case of the Panama Canal; yet when a discrimination in tolls, which it was alleged was not altogether against our ships, was attempted we demanded that it should be done away with, because it discriminated against our citizens and diverted trade and transportation which naturally belonged to our own country in another direction. Can we afford to assert the principle of equality in the use of channels when it benefits us and our trade, and at the same time establish another and entirely opposite rule when the canal or route belongs to us?

In this connection it might be well for us to consider our dependence upon Canada for our traffic through artificial waterways, especially as regards the Soo Canal, the Welland, and other canals parallel to the rapids in the St. Lawrence. It will be well to compare the American traffic through them with the probable coastwise traffic through the Panama Canal. In case both countries shall adopt the same policy, which will have the advantage? Through the connecting waters between Lakes Superior and Huron in the St. Marys River there is a traffic which is the largest through any waterway in the world, except that through the Detroit and St. Clair Rivers. The total freight passing through the river in the year 1913 was 79,718,344 tons, the principal articles being, respectively, iron ore, coal, grain, and general merchandise. The iron and steel business in the United States has gained its supremacy by reason of the abundant supply of iron ore in the State of Minnesota, with very large supplies also in Wisconsin and Michigan, nearly all of which pass through this canal. By reason of the abundance and cheap transportation of these ores the United States has taken the lead among the nations in the production of iron and steel. Of course, our supply of coal must also be taken into account, but the iron ore supply and its ready transportation from Lake Superior to Lake Michigan and Lake Erie constitute the real basis of our supremacy.

In this river there are rapids, to overcome which two lateral canals have been constructed, one by us on the American side, the other on the Canadian side at the expense of the Canadian Government and under its control. In the canal on the American side there are two parallel locks, known as the Poe and the Weitzel Locks; the former has a depth of water 18.5 feet and the latter 12.9. In the canal on the Canadian side there is one lock, having a depth of 19 feet. A new lock is under construction on the American side, more ample than any of those now existing, but which will probably not be finished until October of this year. The locks on the American side are absolutely incapable of carrying the total amount of this enormous traffic. In the year 1913 the total freight passing through the Canadian canal was more than that through the American, in round numbers 42,000,000, or, more exactly, 37,022,201 tons passed through the American canal and 42,696,143 tons through the Canadian canal. Expressed in percentages, 54 per cent of the freight passed through the Canadian and 46 per cent through the American.

Suppose a policy of retaliation, or one based upon the Panama Canal act of 1912, should be adopted by Canada? American freight would be shut out from the Canadian canal, except on the payment of tolls, and the enormous traffic movement in this waterway, having a valuation of eight hundred and sixty-five millions, would be so impaired as to cause an injury to our industrial and commercial interests almost beyond computation. To make this more impressive, it may be stated that of the total traffic through this Canadian canal, in which free passage is given to American freight, less than 5,000,000 tons was Canadian, as against 37,000,000 tons of the United States, all of which was part of the coastwise commerce of this country. In comparison with this how small is the quantity which is likely to pass through the Panama Canal. Prof. Johnson, in his testimony before the Committee on Interoceanic Canals, April 14 last, page 149, estimates that during the initial years in which the Panama Canal is to be utilized the net tonnage of vessels passing through will be some 10,500,000 a year. Of that 1,000,000 tons net tonnage will be contributed by the coastwise shipments, which existing legislation seeks to free from tolls. How the actual carriage will compare with the estimated tonnage, no one can tell. If I were to give my own estimate of coastwise traffic, which I should put beside that of Prof. Johnson with a great deal of deference, as he has given much study to the subject, it would be larger. But, in any event, the comparative amount is trivial, not one-twentieth of the quantity of coastwise freight which now passes in our ships through the Canadian canal in the waters connecting Lake Superior and Lake Huron.

It is for us to pause and consider this situation and to ask whether we can afford to make such a discrimination. Should the regulations continue as at present in the Canadian canal at the Soo there will be no burden upon us; should they impose tolls or otherwise exercise discrimination we should be subjected to almost incalculable damage.

The situation at the Soo does not describe the whole of conditions on our northern border. The Canadian Government is about to complete another canal at the Soo, 30 feet in depth, and a waterway from Lake Erie to Lake Ontario to replace the present Welland Canal, and in connection therewith is preparing to construct canals and improvements in the St. Lawrence, so as to give an outlet 30 feet in depth from Lake Erie and the Great Lake system of navigation to the ocean. The benefits of such a route to transportation can not be overestimated. It would make more readily available to the markets of Europe and the world all the manifold products of agriculture and industry which belong to the region tributary to the Great Lakes. At present the draft of boats from Lake Erie to the ocean is limited to 14 feet and the length to approximately 250 feet, notwithstanding there are already many ships on the lakes 550 to 600 feet in length and having a draft of more than 20 feet. Even with the limitation of the present channels, from Lake Erie through the Welland Canal to Lake Ontario and the St. Lawrence, there is a very considerable traffic. The number of tons of freight passing through the Welland Canal in 1913 was 3,570,714, of which 2,093,406 belonged to Canada and 1,477,308 belonged to the United States. In the canals around the rapids in the St. Lawrence there was a somewhat larger amount of Canadian freight amounting to 2,837,019 tons, while in vessels of the United States there were 1,465,408. In these canals tolls are charged, but there is entire equality between Canadian vessels and vessels of our own country. But should a discrimination be made, as this is a coastwise route, it would appear that in both the Welland Canal and those of the St. Lawrence a larger quantity of freight would be discriminated against in these channels than the total of the coastwise traffic which will pass through the Panama Canal.

The slight attention given in these debates to our demand from 1888 to 1892 for equal privileges in the Welland Canal and other Canadian channels is hardly fair to those who advocate the repeal of this exemption. During the debates in July and August of 1912 the demand was made that the supporters of the House bill should reconcile their position with the attitude of the United States on this question during the administrations of President Cleveland and President Harrison. I do not recall that any reply was made to that challenge of 1912 for a consistent explanation of our course in 1888 to 1892. But now, after the lapse of two years, the explanation is offered that neither Canada, nor Great Britain acting for her, ever conceded that they were wrong; but that to the last they maintained the correctness of their position and yielded merely as a matter of expediency. But does even that afford one particle of justification for us to insist upon this preference?

We made an insistent demand, not merely by diplomatic notes, but by action of Congress and by a retaliatory proclamation expressing our interpretation of the principles involved in the treaty relating to the Welland Canal and asserting the observance of our traditional policy. The action taken then was in entire harmony with declarations theretofore made in regard to the proposed Isthmian Canal and our demands in regard to other waterways in foreign countries extending over 100 years. It must be conceded that the position taken by the act of 1912 was squarely in contradiction to that of 1892.

Can we now, under changed conditions, and when we will be benefited by observing a different rule, afford to declare that our deliberate action then taken was wrong? Was there one law of honor and patriotism in 1892 and another in 1912? Does it require only 20 years to change the law of fairness between nations?

Fortunate, thrice fortunate, is that country, as well as that individual, which can sustain a contention in its own interest and obtain benefit by maintaining opposite sides in successive controversies according to its own sweet will; too fortunate, indeed, to be consistent or to be honest with ourselves or with the world.

It is maintained that to favor equal treatment in tolls at Panama is unpatriotic. If those who maintain this position are unpatriotic, were all the Senators and the Representatives and the two Presidents who maintained the opposite view in the four years mentioned lacking in patriotism?

The argument will no doubt be made that there are two distinctions which should be observed in determining the status of the Panama Canal as a waterway. The first is the difference between waters entirely within the limits of a country, which may be called national waterways, and those which flow through two or more countries, called international waterways. In the latter list are included those which serve as boundaries between two countries. It has been maintained in this discussion that the Panama route is a national waterway, as it is located upon territory owned by the United States, and thus within its sole jurisdiction. Indeed, the very extreme statement has been made that we could not respect the suggestion of another Government to make all tolls equal, because it would involve an abandonment of sovereignty. Very considerable stress has been laid upon the distinction between national and international waterways in past years, but with the increase of commercial relations and the general decrease in military operations this distinction has lost much of its importance. At present the practical reason for the regulation or prohibition of foreign ships in national waters is the prevention of frauds upon the customs revenue.

It was formerly said by many publicists that the right to use a river flowing through two countries was a natural right, while the right of a foreign vessel to navigate a river located exclusively in one country was a conventional right or dependent upon treaty. The memorandum of Secretary Foster with reference to the right of Canadian vessels to navigate the Hudson, to which reference has been made, pointed out this distinction. It is, nevertheless, the present rule to allow foreign vessels to enter and sail upon rivers entirely within the United States, at least, if they connect with other waters, natural or artificial, extending into other countries or to the sea, such as the Mississippi, the Hudson, the Columbia, and the bays along our coasts. While this privilege is secured in many cases by treaty, it is not believed, however, that the exercise of the right depends upon any conventional arrangement. It is rather granted as a matter of comity with foreign nations.

The value of this privilege is enlarged by the customs reorganization measure adopted last year and the regulations framed under it. Dating back almost to the beginning of the Govern-

ment there was a distinction between ports of entry and ports of delivery. Foreign boats were allowed to touch at ports of entry, but not at ports of delivery. The reason was based upon the danger of smuggling. By the customs reorganization act this distinction between ports of entry and ports of delivery has been abolished and an additional number of ports of entry have been created at all of which foreign boats may stop. At an early date the right was asserted to exclude foreign ships from purely national waters or interior bays, like the Chesapeake and the Delaware, but this right has not been asserted in recent years. The vital question, however, is whether the Panama Canal is on the same footing with a national stream. Clearly it is not. A strip 10 miles in width was granted for its construction, but this was not a territorial acquisition. If so, it would have been absolutely contrary to our settled policy with reference to the Republics to the south of us. For this strip we pay an annual rental of $250,000, which is quite inconsistent with a fee-simple title. A width of 10 miles was regarded as necessary for the convenient construction and operation of the canal. Material was obtained from this area or zone in the work that was done. Also material was deposited upon it. Provision was made in the treaty for going outside the zone on payment of proper compensation, if necessary for the construction of the canal. It was deemed desirable that the land obtained be permanently held for the habitation of those engaged in the operation of the canal and for sanitary and police control in its immediate locality. Had the mere ground through which the canal is excavated been obtained, it would have been easy for marauders to approach it, and the safeguarding of the health of the employees would have been difficult. The language of the treaty itself expresses in the clearest terms that the grant of the land in Panama is in trust for a certain purpose and not for territory to be incorporated in the United States as a part of its general domain.

As compared with other portions of the United States the distinctions in the control exercised over this strip are very marked. There is no legislative body. There is no provision for elections. A governor is appointed by the President. In the express language of the statute, the Canal Zone "is to be held, treated, and governed as an adjunct of such Panama Canal." The customs laws of the United States are not applicable there, nor have the inhabitants of this strip the right to send their merchandise into the United States in the manner granted to the people of our country. Imports from the Canal Zone pay duties at our customhouses in the same manner as imports from a foreign country. Imports into the Canal Zone are not subject to the duties imposed by our laws. The War Department has assumed the authority of fixing customs regulations without any reference to Congress whatever. The canal, instead of being an artery of commerce, supplying a large adjacent territory, such as is the case with the great rivers or waterways of the United States, is limited to furnishing what is needed for those who operate the canal and to the promotion of its traffic. Whatever transshipment there may be, whatever coaling or supply stations may be established, are but incident to the waterway between the oceans and are provided to facilitate traffic through the canal. The most important of all, however, is the fact that this waterway is a mere connecting link between the two oceans, less than 50 miles in length, and is constructed as a part of maritime routes of great length providing a waterway to aid the means of communication between nations, many of which are remote from the canal and are located upon seas or oceans.

Second. It has been maintained that there is a marked distinction between natural and artificial waterways in the degree of control which may be exercised over them by the countries through which they pass.

The more recent declarations of publicists and international lawyers, however, all favor the idea that artificial canals connecting great bodies of waters are international waterways. This principle was asserted in the most unequivocal language in the convention relating to the Suez Canal of 1888. The duty of a country owning the territory through which a canal may be constructed to afford opportunity for its construction was maintained in the most strenuous manner by President Roosevelt in his action with reference to Colombia.

There is no clearer statement of the American view on the subject than that contained in a letter from the Hon. Lewis Cass, our Secretary of State under President Buchanan, to Mr. Lamar, our minister to the Central American States, on July 25, 1858. He wrote, in referring to the country or countries through which a canal might be constructed, the following:

Sovereignty has its duties as well as its rights, and none of these local governments * * * would be permitted, in a spirit of eastern isolation, to close these gates of intercourse on the great highways of the world and justify the act by the pretension that these avenues of trade and travel *belong to them*, and that they choose to shut them or, what is almost equivalent, to *encumber* them with such unjust regulations as would prevent their general use.

We can reach no conclusion except that a canal constructed like the Panama, under a concession, the aim and object of which is merely to provide a connecting waterway, especially in view of the language of the Hay-Pauncefote treaty, is to be considered as an international watercourse and subject to the rules pertaining to natural straits. There is, of course, an exception to this, so far as regards the necessity of adopting necessary regulations to protect against hostile attack, the necessity of adopting proper regulations to insure the safety of boats in passing, to provide against injury to locks and other constructions, to police the canal and enforce sanitary regulations. Again, the position of an artificial waterway is exceptional in that the cost of construction allows the imposition of tolls as a compensation for the expense of the improvement, though in many instances the improvement of natural channels so as to make them readily available for navigation is very large and, in kind, the same as the building of artificial waterways. Indeed, it is often a question over a given stretch of a river whether the most feasible method to secure navigation is by improving the main stream or by a lateral canal. In modern times the demand is that navigation have free scope, without interruption from pirates, from payment of tribute, or from discrimination. As has been pointed out, there is no nation which has been quite so insistent in this principle as our own. The tendency of recent years in the making of treaties and agreements is altogether against discrimination in the use of artificial waterways. It should again be said that our own policy, as exemplified in negotiations with Canada, shows that we have maintained the principle that when a canal is a connecting link in a longer route afforded by rivers or by sea it must be open on equal terms to all. Every declaration made upon this subject in the earlier years when negotiations were under way for an Isthmian canal would condemn in the most decisive language any attempt on our part to discriminate in our favor in any canal connecting the two oceans.

It has been frequently alleged in argument here that as we have constructed canals and improved rivers and inland waterways within our borders at great expense, and those canals and rivers are open to navigation for all citizens without charge in the way of tolls—for a statute passed in 1884 abolished all charges—our coastwise shipping is entitled to pass through the Panama Canal on similar terms of exemption. In meeting this contention we may pass by several arguments of very great importance, namely, that the Panama Canal is an extra territorial enterprise, and in this respect is sharply distinguished from the improvement of our inland waterways; also the enormous expense, reaching nearly half the amount expended on all our rivers and harbors since the foundation of the Government; also that from the very outset the universal understanding has been that tolls should be charged on ships availing themselves of this expensive waterway in order to meet a portion of the expense. The conclusive answer to this argument is that our inland waterways, free though they may be to our citizens, are also free to the boats of foreign nations, so that if this argument has any force it means not merely that our coastwise shipping should be exempt from charges, but that no tolls should be charged on any ships, foreign or domestic, going through the Panama Canal.

In stating these facts, of course a distinction should be made between navigation and commerce. No foreign boat is allowed to take on cargo at one domestic port and unload it at another. This fact renders the privilege of navigation in minor streams of slight importance and shuts out traffic between ports of our country. The privilege of navigation nevertheless exists.

The case of Olsen against Smith has been quoted as an argument to the effect that we can allow our own ships in the coastwise trade to pass through without the payment of tolls. Indeed, a considerable number of Senators seem to have relied upon this decision as a reason for their vote in 1912. Without reverting to the fact that a decision of our own Supreme Court, though worthy the very highest respect the world over, is not binding in a controversy between ourselves and other nations, the conclusive reason why this case does not settle this present controversy is the fact that the Hay-Pauncefote treaty grants entire equality to nations, their citizens or subjects, in respect to the conditions or charges of traffic or otherwise; also so that there shall be no discrimination. Thus, while we might exempt our coastwise shipping from payment of tolls, we should also be required to exempt the coastwise shipping of other countries. If our coastwise shipping is exempt so that boats from New York to San Francisco do not pay tolls, there is equal reason why the coastwise ships of other countries should be exempt.

In addition to the United States, there are other countries fronting on the Atlantic or Pacific, or, more correctly, on the easterly and westerly seas, which would use these canals. They are Canada, Mexico, Guatemala, Honduras, Nicaragua, and Costa Rica in North America, and Colombia in South America. The countries to the south of us front on the Gulf of Mexico or the Caribbean Sea as well as upon the Pacific, and in order to accommodate their traffic between different coasts of their respective countries it is necessary to use this canal. It is hardly fair to the countries to the south of us, toward which we have made such protestations of friendship and good will, to allow our coastwise shipping to be exempt while theirs must pay charges. The language of our treaties with them, to which I will make reference, when read in connection with the Hay-Pauncefote treaty, precludes the idea that we intended to discriminate against them.

One argument which has not been fully presented in this discussion deserves great weight, and that is the phraseology of our treaties negotiated prior to the treaty of 1901 in reference to coastwise shipping. If it was intended to exempt coastwise shipping, why was not reference made to that fact? Practically every treaty in which there is any reference to commerce negotiated prior to that time either contains specific language, or else the exemption is necessarily implied. There is a great variety of language in these treaties, but I am unable to find one in which there is any reference to commerce which omits reference to the subject specifically or does not secure exemption by necessary implication. These provisions are for the most part of four classes: The first, in which the following language is used, or language of similar import:

> But * * * this article does not include the coasting trade of either country, the regulation of which is reserved by the parties, respectively, according to their own separate laws.

Second:

> The reciprocal liberties of commerce [granted in the treaty] shall be subject always to the laws and statutes of the two countries, respectively.

Third:

> Contracting parties shall enjoy all the privileges and advantages, with respect to commerce or otherwise, which are now or which may hereafter be granted to the citizens or subjects of the most favored nation.

Fourth:

> The inhabitants of the two countries, respectively, shall have liberty freely and securely to come with their ships and cargoes to all such places aforesaid, to which other foreigners are permitted to come and to enter the same.

These last two forms would not permit participation in coasting trade, because neither the favored nation or other foreigners are granted that right. The first two forms manifestly are not subject to any doubt.

Those in which the coastwise exemption does not specifically appear are for the most part treaties made many years ago, or, if recently, with remote countries, such as the treaty with Borneo in 1850, that with the International Association of the Kongo in 1891, with Korea in 1882, with Egypt in 1884, with Servia in 1881, that with Prussia in 1785, with Tripoli in 1796, and that with Great Britain in 1815, which last, however, contains an express provision that the reciprocal liberty of commerce shall be subject always to the laws and statutes of the two countries, respectively.

It is noteworthy that the specific exemption of the coastwise trade is contained in the treaties with the following States to the south of us: Mexico, Costa Rica, Nicaragua, Honduras, Guatemala, Salvador, Venezuela, Ecuador, Chile, Peru, and Brazil.

The treaties pertaining to a proposed Isthmian canal are especially significant. In that of 1846 with New Granada there are two provisions. Article 3 contains the usual clause exempting the coastwise trade of either country. Article 35, which has to do with the ports of the Isthmus of Panama or any road or canal across the Isthmus that may be made by the Government of New Granada, or by the authority of the same, provides that there shall be no other tolls or charges levied or collected from the citizens of the United States than are, under like circumstances, levied and collected from the Granadian citizens.

The Cass treaty of November 26, 1857, with Nicaragua, known as the Cass-Yrisarri treaty, in article 2 reserves the coastwise trade; article 14 grants transit on terms of equality to the Atlantic and Pacific, and contains the provision that no higher charges or tolls shall be imposed on the conveyance or transit of persons or property of citizens or subjects of the United States or any other country across said route of communication than are or may be imposed on the persons or property of citizens of Nicaragua. This treaty was not ratified. Other treaties with Nicaragua and other countries make unequivocal reference to the coastwise trade.

In the treaty with Panama of 1903 there is in article 19 an exemption of the vessels of the Republic of Panama and its troops and munitions of war in such vessels from the payment of charges of any kind. This shows that when an exemption was intended it was regarded as necessary to state it. The Frelinghuysen-Zavala treaty made in 1884 and recommended by President Arthur in his message of the same year, but withdrawn by President Cleveland in his first annual message of 1885, contained this provision in article 14:

> The tolls hereinbefore provided shall be equal as to vessels of the parties hereto and of all nations, except that vessels entirely owned and commanded by citizens of either one of the parties to this convention and engaged in its coasting may be favored.

Thus all of these treaties—that with New Granada, the proposed agreements with Nicaragua, and the treaty with Panama—show that in all our negotiations pertaining to an isthmian canal when it was intended to exempt coastwise shipping or to grant any preferences it was specifically so stated.

Now, the Hay-Pauncefote treaty of 1901 contained no exemption of coastwise shipping, but, on the contrary, the very strongest language to express entire equality.

Is it to be believed that when, through a series of years in practically all countries near to the proposed canal, coastwise shipping was exempt from the provisions of the treaties in the most definite language it could have been intended to claim exemption or preference for our own coastwise shipping in this canal, built on soil acquired from a foreign country and connecting the two great oceans of the world, without any language whatever on the subject? If it was intended to exempt our coastwise shipping, why did we not say so? This, too, in the face of our own "traditional policy" asserted against Canada less than 10 years before, and asserted contemporaneously, at least in principle, in negotiations with the nations having spheres of influence in the Chinese Empire.

This contention is strengthened by the fact that almost all of our shipping is that engaged in the coastwise trade. The Statistical Abstract for 1912 shows the registered tonnage in our foreign trade to be 923,000 tons; that in our domestic or coastwise trade is 6,737,000 tons, or more than seven times as much. Is it credible that a treaty providing equality could be framed merely to include the limited quantity of shipping which is engaged in our foreign trade? We all regret that it is so small, but such is the fact. If it was intended that our coastwise trade should be exempt, the provision of equality becomes a practical nullity. Special importance may be assigned to this fact, because so many countries to which reference has already been made, including the countries to the south of us, also have coastwise shipping which would utilize this canal.

In opposing this bill for repeal nothing has been more frequent than an appeal to patriotism and to national pride. Any such appeal must necessarily be received with a responsive spirit, and if made with earnestness it stirs the heart. But patriotism does not mean that we shall disregard treaty obligations or swerve from policies which have been maintained with persistency and zeal through all our national life. It is our duty to maintain a scrupulous regard for national faith and to follow the rules which we have laid down for ourselves as well as for all other nations. To be consistent and to be fair to all the world, that is patriotism. If we retrace our steps from the ennobling record which has characterized us for more than 100 years, let us beware lest the most inspiring notes of patriotism, though uttered with the tongues of men and of angels, may become as sounding brass and a tinkling cymbal.

Mr. THORNTON. Mr. President, if no other Senator desires to address the Senate on the subject of the unfinished business this afternoon, I ask that the unfinished business be temporarily laid aside.

Mr. VARDAMAN. Mr. President, I ask the Senator from Louisiana to withhold that request for a moment.

Mr. THORNTON. It is withheld.

Mr. VARDAMAN. I offer an amendment, which I ask the Secretary to read.

The PRESIDING OFFICER. In the absence of objection, the Secretary will read the amendment proposed by the Senator from Mississippi.

The SECRETARY. It is proposed to strike out all after the enacting clause of the bill and to insert:

> That the second sentence in section 5 of the act entitled "An act to provide for the opening, maintenance, protection, and operation of the Panama Canal, and the sanitation and government of the Canal Zone," approved August 24, 1913, which reads as follows: "No tolls shall be levied upon vessels engaged in the coastwise trade of the United States," shall be suspended and shall not take effect as a statute of the United States until July 1, 1915, on which date it shall have full force and effect as a statute law of the United States. It is further provided that the proper authorities operating said Panama Canal who shall, prior to said date, collect tolls levied upon vessels engaged in the coastwise trade of the United States are hereby directed

to set apart all such tolls so collected and retain the same in a separate fund until July 1, 1915. On that date, or as soon thereafter as possible, such tolls so collected shall be returned to the parties from whom they were collected, provided no contrary disposition has been made by law prior to that time.

That so soon as practicable after the passage of this act the President of the United States is hereby authorized and directed to appoint a commission, consisting of not less than three nor more than five persons, to be selected by him for the purpose of meeting a like commission to be appointed by His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the seas, in a diplomatic conference to be held at such time and place as His Britannic Majesty and the President of the United States may agree upon. The purpose of such diplomatic conference shall be to take into consideration the controversy now pending between Great Britain and the United States as to the proper construction of the Hay-Pauncefote treaty, so far as the provisions of the same involve the right of the latter to regulate by its own legislation the levying of tolls upon vessels engaged in its coastwise trade and passing through said Panama Canal. It shall be the duty of such diplomatic conference, acting in the light of the discussions that have already taken place, to seek, in an equitable and friendly spirit some practical solution of the entire question now at issue, which will worthily round out a hundred years of peace and friendship by respecting and conserving the interests and honor of both nations. The conclusions reached by such diplomatic conference shall be reported at its close to the Governments of Great Britain and the United States by their respective commissioners, but such conclusions shall not be binding upon either Government until accepted by both and duly ratified upon the part of the United States by the necessary and appropriate legislation.

That the expenses and compensation of the said commissioners to be appointed to attend said diplomatic conference upon the part of the United States shall be paid out of the contingent fund of the Department of State according to law.

Mr. VARDAMAN. Mr. President, the honor of a nation like the honor of man is its most priceless asset, and should be sacredly guarded. The same code of morals should govern nations in their dealings with each other which men require their fellows to observe in their intercourse with each other. The might which overrides the right may triumph for a season, but there is no permanency in any system of government or rule of conduct among nations or individuals except that which was founded upon the eternal rock of justice and righteousness. It has been truthfully said that—

Out of the twilight of the past
We move to a diviner light;
For nothing that is wrong can last,
Nothing's immortal but the right.

In the settlement of the question as to whether or not the United States Government has the right under the treaty with Great Britain to exempt its ships engaged in coastwise trade from the payment of tolls in passing through the Panama Canal, the American people do not want anything except that which is just and unquestionably their own. If they have made a mistake in their platform declaration, if the people have misunderstood this question in their instructions to their representatives, when they shall be convinced of that fact the wrong will be righted.

I have no doubt in my own mind about the right of the United States Government under the terms of the treaty to do with the canal as it sees fit with reference to our coastwise trade. I believe that out sovereignty over the canal is as absolute and complete as it is over the Mississippi River or any other domestic waterway. But if there were any doubt in my mind about our sovereignty, the people of Mississippi and America have instructed me upon that point. Every political platform adopted in 1912 gave specific instructions to the President, Senators, and Congressmen elected upon that platform as to how they should vote upon this question. I believe in the sacredness of our party platform promises. I believe in the wisdom and patriotism of party organization. I realize that no great governmental scheme or question of political economy was ever enacted into law but that had behind it a well-organized and disciplined political faction. No man can be faithless to his platform promises and be true to himself and his country. The platform is to me a political confession of faith, and the man who violates it without permission from the people betrays his constituents. So far as I am concerned, I am going to be true to the people who elected me. I am going to be faithful to my party obligations. If in this instance loyalty to the platform promises shall raise the question of violation of the treaty with England, I shall still be true to the platform promises and faithful to my constituents. But there are men of greater wisdom, more varied experience, of larger observation, and equal patriotism who entertain opinions diametrically opposite to those entertained by me. I am perfectly willing to concede to them sincerity and honesty of purpose, and to admit that I may be mistaken. In matters of such grave importance, so far-reaching in their consequences, and about which men differ so widely the largest, most liberal, and careful consideration should be given to all the phases of the question under consideration. In the determination of this matter we can not afford to be too technical, nor can we afford to be other than generous in dealing with our opponents and faithful to every promise which we have made directly or implied. Our constituents would not have us do less. And under the terms of our commission as the representatives of the people executing a great trust we can not do more. I want to say in this connection, Mr. President, that I do not in any way share the feeling of hostility toward the English people or the English Government which some of my fellow countrymen manifest in the treatment of this question. I realize that the future development and the moral and material uplift of the world will be greatly promoted by united and harmonious action on the part of the English-speaking peoples; but their good influence will be minimized unless they shall, in international intercourse, maintain scrupulous regard for the rights of each other, and avoid the appearance of trying to drive a hard bargain or take undue advantage. There should be no competition between the people of Great Britain and the people of America, except that healthy spirit of rivalry which only serves to quicken our patriotism, enlarge our energies, and sharpen our intellects in solving the great problems, industrial and otherwise, which confront the civilization of the century. "There is a destiny that makes us brothers." We are one in thought, one in aspirations, and bent upon one common purpose. United we shall rule the world, direct its destiny, preserve its peace, and hasten the day when—

The common sense of most shall hold a fretful realm in awe,
And the kindly earth shall slumber, lapt in universal law.

If the amendment which I propose shall be adopted, this matter can be settled without heartburnings, disappointments, or the generation of hatred. We are committed to the policy of settling differences of this character by diplomatic conferences. It is the rational, humane, and proper method. It will also give time for the American people to consider the question. A general understanding will be effected and justice tempered with a spirit of generosity and good-fellowship will take the place of what I fear will be a feeling of disappointment, injustice, and wrong if the plan for the settlement of the question proposed by the President shall be adopted by the Congress.

I hope to have something further to say upon this question during the consideration of the bill.

Mr. THORNTON. I now renew the request that the unfinished business be temporarily laid aside in order that the chairman of the Committee on Agriculture and Forestry may ask that the consideration of the Agricultural appropriation bill be resumed.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

THE CONGRESSIONAL CLUB.

Mr. KERN. Mr. President, I have here an invitation to Members of the Senate from the Congressional Club, which I should like to have read at the Secretary's desk.

The PRESIDING OFFICER. Without objection, it will be so ordered.

The communication was read, as follows:

The Congressional Club requests the honor of the presence of the Members of the United States Senate at the ceremonies incident to the laying of the corner stone of the new clubhouse on Thursday morning, May 21, at half past 10 o'clock, New Hampshire Avenue and U Street NW.

AGRICULTURAL APPROPRIATIONS.

Mr. GORE. I ask that the Agricultural appropriation bill be laid before the Senate and proceeded with.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 13679) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1915.

Mr. McCUMBER. Mr. President, when the Senate adjourned yesterday I had the floor in reference to an amendment which I proposed to offer to the bill. I desire to give very brief attention to that proposition.

Anticipating the eagerness of Senators to vote upon this bill, I desire to show how a proposed amendment is necessary, or why the pending bill is incomplete and should not be passed without the proper amendment. I have already called attention to the fact that from line 4 to line 6 on page 19 there is the following provision:

For investigating the handling, grading, and transportation of grain and the fixing of definite grades thereof, $76,320.

This provision as it now stands is a mere mockery. It means nothing. The mere fixing of a grade without any method of enforcing the decree which fixes the grade of course amounts to nothing; and I anticipate that is not what was intended by the person who drafted this provision of the bill. Therefore it is my desire to have that definite grade fixed in a definite man-

ner, and I shall limit the proposed amendment to that particular matter.

You are to fix a definite grade. Now, how can you make a grade definite without power to enforce its definiteness?

It has been claimed that this matter would be subject to a point of order upon the ground that it is general legislation. I wish Senators would stop a little while and see if we can not, with the assistance of the Chair, finally adopt something of a rule which we can use as a precedent which will guide us in the future in determining what is and what is not general legislation.

The records of the Senate show that the point of general legislation has been raised against an amendment to add a wing to a particular building, as though that was general legislation. Further, it has been argued upon this floor time and again that anything that changes existing law, though it be a special law, is general legislation.

Why, Mr. President, if we should follow the theories of some of these objectors to amendments upon the ground that they are general legislation, we would be absolutely crippled in any effort to amend any bill that might come from the House.

The parliamentarian of the Senate, Mr. Gilfry, recognizing the fact that we have steered our parliamentary course all over the ocean of conjecture in the matter of this question of general legislation, sought to call our minds back to a few fundamental principles, so that we might appreciate our course, and I call attention to some of the declarations made by him on this subject. He says:

No subject is more widely discussed in the Senate during the consideration of appropriation bills and amendments thereto than the question What is general legislation on a general appropriation bill?

The Century Dictionary says:

"General legislation, that legislation which as applicable throughout the State generally, as distinguished from special legislation, which affects only particular persons or localities.

"Local legislation, local statute, such legislation or statute as is in terms applicable not to the State at large, but only to some district or locality and to the people therein."

Mr. REED. Mr. President, I will ask the Senator if he will kindly give us the citation?

Mr. McCUMBER. Page 54 of "Precedents, Decisions on Points of Order in the United States Senate," by Mr. Gilfry.

Proceeding, he states——

Mr. REED. Since I have interrupted the Senator, may I inquire why the Senator is discussing a question of order with reference to his proposed amendment before the amendment is laid before the Senate? Of course, the Senator will proceed in his own way, I take it; but it seems to me the ordinary procedure would be to offer the amendment, and if some one raises the question of order, then it will be a matter for consideration, but not to anticipate that the point will be made.

Mr. McCUMBER. In answer to the Senator's question, I will say that I had hoped that it would prevent considerable delay in the discussion of the subject hereafter if I might call attention to a few leading principles which might dissuade Senators from making points of order which would lead to a long discussion.

The author goes on further and cites the definition given by Bouvier in volume 1, page 877:

General law (legislation): Laws which apply to and operate uniformly upon all members of any class of persons, places, or things, requiring legislation peculiar to themselves in the matters covered by the laws. Statutes which relate to persons and things as a class. Laws that are framed in general terms, restricted to no locality, and operating equally upon all of a group of objects which, having regard to the purpose of the legislation, are distinguished by characteristics sufficiently marked and important to make them a class by themselves.

There is considerable more in the definition given by Bouvier, but I will not take the time to read it.

Generally all matters of this kind have been submitted to the Senate. Upon that point I wish to cite a statement that was made by Vice President Fairbanks:

The VICE PRESIDENT. The point of order is before the Senate.

Then the Vice President discussed the question of points of order on the ground that matters were general legislation. He said:

The Senator from Idaho [Mr. BORAH] makes the point of order that the pending amendment contravenes paragraph 3 of Rule XVI, which provides: "No amendment which proposes general legislation shall be received to any general appropriation bill." What is general legislation upon a general appropriation bill, under Rule XVI, has long been a sharply debated question. The rule is an old one. It has been frequently invoked, and the discussion has invariably disclosed the same conflicting views which have been expressed with respect to the point of order now interposed. There is no well-defined uniform line of decisions, either by the Chair or by the Senate, when the question has been submitted by the Chair to its determination or when the question has been brought before it by an appeal from the decision of the Chair. The impression created upon the mind of the present occupant of the chair, after a somewhat careful and thorough examination of the subject, is that the Senate has been largely controlled in its interpretation of the rule for more than a third of a century by a consideration of the public interest involved at the time being, rather than by any regard for its technical meaning or strict application.

That is what that rule has finally come to be—a mere capricious action of the Senate. If the Senate wants the amendment upon the bill, it puts it in by declaring that it is not general legislation. If the Senate does not want it in, it holds against the amendment as being general legislation.

I think we ought to have some rule to guide us on this important question, which arises upon every appropriation bill from fifty to a hundred times before it passes through the Senate; and I know of no better guide than that laid down by Mr. Gilfry himself in his Precedents, in which he cites the definitions given by Bouvier and the Century Dictionary.

I shall offer an amendment to make certain the provision that I have read from the general bill—that is, to fix definite rules for the definite grades that are to be fixed by the Secretary of Agriculture. I shall do this by offering that portion of what is known as the Lever bill in the House, or the Gore bill in the Senate, which has received the earnest approval of those who are opposed to the general legislation which I sought, and which covered general inspection. The very first step toward the remedy, as I stated before, was covered by the Lever bill, namely, Federal standardization; and the second step was also covered by it, namely, uniformity of standards. The third step which I thought was necessary was Federal inspection. The substitute for that in the Lever bill was Federal supervision. I have not, however, offered, and shall not offer, any portion of the Lever bill which relates even to Federal supervision. I allow the States to go on with their inspection, but I propose merely to provide that the Secretary of Agriculture shall fix standards of grain as he fixes standards of cotton; and after he has arrived at those standards, the rules shall be lived up to by the several boards.

To show that this is greatly desired by all the farmers of the Northwest, I desire attention to the fact that but a few years ago I was called upon to address the farmers' organization known as the Tri-State Grain Growers' Association of the States of Minnesota and the two Dakotas. There were about 3,000 representatives present. I did not discuss the grain bill at that time, but they were decidedly interested in it. When I had closed my remarks a very prominent member of the society asked me to explain to the farmers there present why it was that the Senate of the United States refused to give them the relief for which the State legislature had been appealing for years, and for which they, through their little organizations, had also appealed by petitions.

My answer to them was that the whole trouble lay in the fact that we had no great farmers' organization that would act as an organization, and would make their views felt as an organization, in the way that all other organized societies give expression to their views to control or influence the action of Congress.

I called their attention to the fact that wherever we had a great board of trade I would be certain to have at least two Senators from that State against me. If in New York, we had the Board of Trade of New York and also that of Buffalo engaged in the grain business, that meant the two votes of New York against what I was asking for. If I found the same condition in Minnesota, it would have the same result. If I found another one in Chicago, I could count the Illinois Members against me. If I found one in Baltimore, I could count the Maryland votes against the proposition. If I found one in New Orleans, I could be sure to count the Louisiana votes against me. If I found one in Toledo, I could be pretty sure to count the Ohio votes against me. If I found one in some other particular State—in Nebraska, in Omaha—I would be pretty certain to find at least the Senator within the radius of its influence against me.

Now, why? They were honest Senators, who wanted to do what was right or what they thought was just and fair in all this matter; but the moment you introduce a bill of this kind the farmer does not come to his Senator and, through his organization, say: "We demand this, and we expect you to live up to it." He does not say anything; but the board of trade immediately begins to talk, and it sends out its circulars, and it sends its representatives to the Capital, and it secures the best legal talent that it can secure to present its case; and the Senator thinks: "Well, now, here are all these people in the city, my friends, protesting against the bill, and there is not a single farmer in my State asking for it. I have not time to go into the subject very much and look up your interest in the matter. If it is not of sufficient interest to you to present it in the same aggressive way that it is presented on the other side, it can not be a matter of any great importance."

Those were the reasons I gave to the farmers. Then I was compelled to give another reason, and that was the ancient Democratic policy of holding the State outside the grip of national policies, to give full vent to State rights. I stated to them that most of the old Bourbon Democracy were opposed to extending national legislation into their States under any and all considerations, with the exception of a single one; that they would waive their prejudice in favor of State rights wherever they could find that the Government would expend its money within their territory, and if the Government would kindly do that there would be no objection whatever to the *extension* of Federal influence into the State.

So we find here about $400,000 that is to be used down here in the southern section, the Democratic section, of the country, to send an army of inspectors chasing the cattle tick. Four hundred thousand dollars is appropriated for that class of chasers; and we have not the slightest objection to the extension of the Federal power if it carries that army into our State, where they may do us some good by spending the Government money there and possibly by frightening away some of the cattle ticks.

Then again there is $46,000 appropriated to control diseases of cotton. Then there is appropriated for improvement of cotton $38,000. Then for fixing standards, and so forth, of cotton and other matters there is an appropriation of $300,000. Then there is for farm demonstration $400,000, about $300,000 of which is to be used in that section of the country where the Senators do not believe very much in Federal interference. Now, as they have overcome that in the last few years, I hope they will give us the same consideration when we are really asking for Federal interference. We have always said that we were willing that the Federal Government should extend its powerful arm to assist us and protect us against injustice and against fraud.

Now, I desire to present, Mr. President, an amendment that will contain the two or three paragraphs of the Lever bill.

Mr. WEST. Mr. President——

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Georgia?

Mr. McCUMBER. With pleasure.

Mr. WEST. I presume we are in Committee of the Whole, are we not?

The VICE PRESIDENT. The bill is in Committee of the Whole.

Mr. WEST. That is what I mean. The bill is in Committee of the Whole, and this section has already been considered, and the Senator can not present an amendment to the section without reconsidering it for the purpose of amending it.

Mr. McCUMBER. I think the Senator is under the impression that this is an amendment that I am considering. I am considering not an amendment, but the original bill itself.

Mr. WEST. Is it not a substitute?

Mr. McCUMBER. No; I am going to amend the text of the original bill, if I can.

The VICE PRESIDENT. The Senator from North Dakota is in order.

Mr. McCUMBER. Mr. President, a short time ago, when we were discussing this question, the Senator from Louisiana [Mr. RANSDELL] stated, in substance, that he knew nothing about the matter, and that where the doctors disagreed a layman could not be expected to decide what the remedy should be in the particular case. I want to say to that Senator and also to his colleague that the doctors have finally agreed upon two or three propositions I wish to present, first, the statement of Dr. NELSON upon this proposition. I am offering the Lever bill. I feel that I possibly ought to apologize to the Senator from Illinois [Mr. SHERMAN] and the Senator from Minnesota [Mr. NELSON] for a little suspicion when the bill was up before and for an expression I made in conformity with that suspicion to the effect that the Lever bill was not intended in good faith; that it was simply introduced as a check for the time being so that the McCumber bill could be in some way knocked out, and that they really did not believe in the Lever bill. But I have read over their statements again, and they are so strong and ring so true that I know they meant every word they said, and will be very glad of the opportunity now to vote for the proposition which they extolled so earnestly in the previous discussion.

I will start in with the statement of the Senator from Illinois [Mr. SHERMAN]. He said, as recorded on page 5356 of the CONGRESSIONAL RECORD:

> I will follow that by the statement that I am in entire accord with the purpose of the Department of Agriculture and all those who have worked in joint effort with that department to procure and establish, upon adequate investigation, a uniform system, both of grades and weights, and to make it obligatory upon all grain entering into the interstate commerce of the country to require the States having an inspection system established under their statutes to bring themselves to adopt that standard before the grains in the States of their origin shall be admitted into interstate commerce. I am not opposed to, but, on the contrary, I believe in, these inspections and grades and in a uniform system of weights; but I do not think it is necessary that a new bureau be created here under the auspices of the Federal Government, and that the State inspection system of some of the principal grain-producing States in the Union, and also some of the States in which there are the large primary markets of the country, be entirely obliterated and pulled up by the roots, so to speak, in order to accomplish these purposes. I am not against the end sought by the Senator from North Dakota, but I am opposing the means, because, in my judgment, the Lever bill, introduced in the House of Representatives very lately, will accomplish all of the good results desired, and standardize both weights and measures, without any corresponding evils.

That is a pretty good recommendation. Again, he says on page 5357:

> On the contrary, under the supervision plan, I believe, the standards being fixed by the Department of Agriculture under some such bill as the Lever or the Gore bill, that the State inspection would immediately be required to come up to that level; if it lacked anything in reaching that degree of perfection or desirability, it would immediately go to that level. Otherwise, the State inspection system falling short, grains inspected under that system would necessarily cease to go into the interstate commerce of the country. That would of itself bring State inspection to that level.

Again, the Senator from Illinois said a day or two later, on May 9, at page 8710:

> I do not think there will be any controversy between those who support this bill—

That was my bill—

> and myself about the necessity as well as the propriety of a uniformity of grades. Since I have begun to give this subject some attention, reaching back several years ago, it has seemed to me at all times that uniformity of grades is desirable.

Again, he says on page 8719:

> Let me say here parenthetically there is no controversy between those who favor this bill and those who oppose it on the desirability of uniformity. There ought to be uniformity in the standards. The principle of the Lever bill in the House gives uniformity. It seems the same as that introduced by the Senator from Oklahoma [Mr. GORE].

Well, it is the same.

> I have not read them one along with the other, but I believe them to be exactly similar. The uniformity of grades is the useful part of every regulation. The uniformity can be secured by fixing the standards, and in that event every State having an inspection system can be compelled to grade up to the standard fixed by the Department of Agriculture. When that is done you have uniformity. You have uniformity under the supervision of the General Government and not the inspection of the General Government. I favor uniformity of standards and Government supervision, to be worked out so as not to destroy or impair our State inspection systems.

Again, on page 8725, the Senator quotes a letter from Frank H. Funk, favoring Federal standardization and uniformity but opposing Federal inspection.

On the same page the Senator quotes, with approval, a letter from the secretary of the Illinois Grain Dealers' Association, which I quote as he quoted it:

> Your support of the Lever bill in opposition to the McCumber bill meets with the approval of practically every grain dealer in the State of Illinois. The country shippers represented by the State associations of Ohio, Illinois, Indiana, Iowa, Nebraska, Kansas, and Oklahoma have been working for Federal supervision for a number of years and it is believed that such a measure of protection will be entirely satisfactory.

Once again, on page 8726, the Senator from Illinois states:

> These purposes of the different State inspection systems are perpetuated and provided for in the Lever bill now pending in the House. The Lever bill represents the views of the Department of Agriculture, the arm of the Federal Government that is asked by Senate bill No. 120 to absorb the inspection systems of the States.

Again, on page 8726, the Senator from Illinois quotes, with approval, a letter from Mr. Merrill, and I want Senators to listen to this for one moment. Mr. Merrill says:

> Exchanges, State and local associations of grain handlers, have generally united in opposing it (the McCumber bill), and thus far have succeeded.

That is the most solemn truth that they ever uttered in their lives. They have consistently opposed it and so far they have succeeded. Quoting from the same letter:

> A committee representing farmers and all classes of grain handlers is now drawing up such a bill and the Department of Agriculture of the United States is assisting, Secretary Houston having met the committee in conference and approves the action.

Now, proceeding again, the Senator from Illinois [Mr. SHERMAN] says:

> This was written last February. Since that time the bill has been perfected through the joint action of the persons named in this bill and the department, and it is now pending in the name of the Lever bill. The Gore bill, which is pending in the Senate, I think is identically the same bill.

Then the Senator cites letters covering several pages, all favoring the Gore and Lever bill and, of course, all opposing the McCumber bill. Now, with the strong argument of the Senator from Illinois, which was given here some time ago, there ought not to be a single vote in the Senate against the little amendment which I propose to-day.

But, Mr. President, the Senator from Minnesota [Mr. NELSON] adds his moral power and impetus to the Gore bill, also known as the Lever bill. On April 14, at page 8201, the Senator from Minnesota said:

To the Lever bill, so called—and a similar bill has been introduced in the Senate by the Senator from Oklahoma [Mr. GORE]—in its essential features we have no objection; such a law would not destroy our State grain-inspection system.

Again, on page 8207, the Senator from Minnesota said:

There is no objection to creating national standards; * * * we can establish uniform standards of grain for the whole country, leaving the inspection in the hands of each State government, simply requiring them to adhere to the Federal standard. The Lever bill in substance so provides, and a similar bill has been introduced by the Senator from Oklahoma [Mr. GORE] in the Senate. We are quite willing that grades shall be standardized; we have no objection to that.

Again, on page 8227, the Senator from Minnesota reiterates:

Our people are not opposed to standardizing grades; that is, to let the Federal Government establish the standards, but leaving the States to carry on the inspection service and comply with the standards.

Again, on page 8230, the Senator from Minnesota supports the Gore bill. He says:

If the bill were confined to sections 5, 6, and 7—

That is, sections 5, 6, and 7 of my bill—

providing for national standardization and nothing more, it would be unobjectionable and would accomplish all that is necessary and proper. I call attention to those sections.

The Senator then read the three sections in full. Then he proceeds:

If you take these three sections and limit the bill to them, you can get national standards for the whole country established by the Federal Government that will be standards for all interstate commerce. If you stop there, you leave the inspection force of each state to live up to those standards. To say that we are not capable in Minnesota or that they are not capable in Missouri or Illinois is to say that the employees of the State are not as competent and are not as honest as they would be if they were Federal employees and wore Uncle Sam's livery.

The Senator from Minnesota and the Senator from Illinois were reenforced by the senior Senator from New York [Mr. ROOT]. I will not stop to read the statement of the senior Senator from New York but it is to be found on page 5356, in which he quotes with great approval the circular which was sent out by the Buffalo Exchange and also by the New York Exchange, and a similar note sent out by the Boston Exchange, all of which stated that they were perfectly satisfied with what is known as the Gore bill. The Senator said he was willing to support that bill; but he saw a good deal of force in their objections to the McCumber bill.

Now, what was the Gore bill? The Gore bill provided for the standardization and then fixed rules requiring the Government to supervise the matter, and it then appropriated, I think, $350,000 to carry out that supervision.

Now, I do not go that far, because I do not wish this amendment to be open to the objection that it carries a great appropriation without an estimate from the department, and really I do not need it, because the Secretary of Agriculture with the appropriation of $76,320 can do all that is required under this amendment, and I am in fact simply directing how he shall fix those standards and enforce them.

Now taking the bill as it stands on page 19, it reads:

For investigating the handling, grading, and transportation of grain and the fixing of definite grades thereof, $76,320.

Then I propose to provide:

That in fixing said definite grades the Secretary of Agriculture shall fix and establish from time to time standards of quality and condition of grain. In promulgating the standards the Secretary shall specify the date or dates when the same are to become effective, and may give public notice thereof by such means as he deems proper.

Remember, now, I am quoting literally from the Gore or Lever bill. I only add "in fixing said definite grades," whereas in the other bill they propose that the Secretary of Agriculture shall do so and so, using that term, in fixing said grades to make the proper connection with the previous legislation:

That the standards so fixed and established shall be known as the official grain standards of the United States.

That whenever standards shall have been fixed and established under this act for any grain no person thereafter shall ship or deliver for shipment from any State, Territory, or District, to or through any other State, Territory, or District, or to any foreign country, any such grain which is sold or offered for sale by grade, unless the grade by which it is sold or offered for sale be one of the grades fixed therefor in the official grain standards of the United States and the grain conforms to the standard fixed and established for the specified grade.

Then here comes the provision that the Senators who oppose my bill desire:

Provided, That variations from the official grain standards may be permitted under such rules and regulations as the Secretary of Agriculture shall prescribe. No person shall, in any contract or agreement of sale or agreement to sell, either oral or written, or in any invoice or bill of lading or other shipping document, relating to such shipment or delivery for shipment, describe or in any way refer to any of such grain as being of any grade other than a grade fixed therefor in the official grain standards of the United States.

That whenever standards shall have been fixed and established under this act for any grain, no person thereafter shall ship or deliver for shipment from any State, Territory, or District, to or through any other State, Territory, or District, or to any foreign country, any such gain which is sold or offered for sale, whether by grade or not, under any name, description, or designation which is false or misleading in any particular.

And here comes another provision the lack of which was urged as an objection to my bill, Senate bill 120:

Provided, That nothing contained herein shall prevent the shipment or delivery for shipment, otherwise lawful, of any grain which is sold or offered for sale, without reference to grade, under names, descriptions, or designations which are not false or misleading.

That the Secretary of Agriculture is authorized to cause inspections and examinations to be made of any grain which has been certified or represented to conform to any grade fixed in the official grain standards of the United States, and to ascertain whether the grain is, in fact, of the specified grade; and whenever, after opportunity for hearing is given to the owner or shipper of the grain involved, it is determined by the Secretary that any lot of grain has been incorrectly certified or represented to conform to a specified grade he may publish his findings.

That every person who shall violate any provision of this act relating to the shipment or standardization of grain, as herein provided, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined not exceeding $200 for the first offense and for each succeeding offense not exceeding $1,000.

Mr. President, that is the amendment which I offer, and, as I stated before, it is that portion of the Lever bill that has been spoken of by those who are opposed to the provisions of my bill, and which seem, as is shown by their declaration, to be entirely agreeable to them. I offer that as an amendment as indicated.

Mr. REED. Mr. President——

The VICE PRESIDENT. The Senator from North Dakota presents an amendment, which will be read.

The SECRETARY. At the end of line 6, on page 19, insert——

Mr. McCUMBER. As I read the amendment myself, I do not think it is necessary under the rules for the Secretary to reread it.

The VICE PRESIDENT. Very well.

Mr. McCUMBER. I make the suggestion in order to save time.

Mr. REED. Is the amendment now offered?

The VICE PRESIDENT. The amendment is offered.

Mr. REED. Mr. President, I make the point of order against the amendment, first, that the amendment is general legislation; second, that the amendment includes items not estimated for by any department of the Government; third, that the amendment has not been favorably reported on by any committee; and, fourth, that the amendment is practically a repetition at the same session of Congress of a bill already defeated at that session.

The VICE PRESIDENT. The Chair recognizes that there is a great deal of truth in what the Senator from North Dakota has said as to the ruling of the Senate upon the question of general legislation on an appropriation bill, and that it is always within the province of the Senate to determine when an amendment is or when it is not general legislation by an appeal from the ruling of the Chair. But the Chair believes that the point of order in this instance should be sustained. Accordingly it is sustained.

Mr. McCUMBER. I have another amendment that I desire to offer.

Mr. WEST. Mr. President——

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Georgia?

Mr. McCUMBER. I yield to the Senator from Georgia.

Mr. WEST. I propose to amend the bill when it comes into the Senate, on page 20, by striking out the last proviso.

The VICE PRESIDENT. The bill is before the Senate, as in Committee of the Whole, and subject to amendment.

Mr. WEST. Yes; I understand that. I am merely stating the amendments which I propose to offer when the bill is reported to the Senate. In addition to the amendment which I have stated, I propose to amend the bill, on page 42, line 23, by striking out "Western" and substituting therefor "United States"; and then, in line 20, by striking out "$15,000" and substituting therefor "$30,000." That does not change the total appropriation.

Mr. McCUMBER. I offer the following amendment: On page 19, after the same words to which I referred in the other amendment, I move to insert:

That said Secretary of Agriculture be, and he is hereby, authorized and required, as soon as may be after the enactment hereof, to determine and fix, according to such standards as he may provide, such classifications and grading of wheat, flax, corn, rye, oats, barley, and other grains as in his judgment the usages of trade may warrant and permit. In the inauguration of the work herein provided he may, if in

his judgment the best interests of trade and commerce in said grains require it, adopt the standards of classification and grades now recognized by commercial usages or established by the laws of any State or by boards of trade or chambers of commerce, and may modify or change such classifications or grades from time to time as in his judgment shall be for the best interests of interstate and export grain trade.

That when such standards are fixed and the classification and grades determined upon the same shall be made matter of permanent record in the Agricultural Department, and public notice thereof shall be given in such manner as the Secretary shall direct, and thereafter such classification and grades shall be known as the United States standard.

That from and after 30 days after such classifications and grades have been determined upon and fixed, and duly placed on record as hereinafter provided, such classification and grading shall be taken and held to be the standard in all interstate commerce in grain.

Mr. REED. Mr. President, will the Senator from North Dakota permit me to make an inquiry?

Mr. McCUMBER. I will not yield at this time.

Mr. REED. Mr. President——

Mr. McCUMBER. I will not yield now, Mr. President.

Mr. REED. Very well.

Mr. McCUMBER. I simply desire to state in reference to this amendment that the Senator from Minnesota [Mr. NELSON] said:

If the bill were confined to sections 5, 6, and 7—

Mr. REED. Mr. President——

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Missouri?

Mr. REED. I make the point of order. I understand the Senator has now offered his amendment?

The VICE PRESIDENT. The Chair is uncertain on that question.

Mr. REED. I think the parliamentary situation ought to be cleared up. I understood the Senator from North Dakota to say that he had offered that amendment.

Mr. McCUMBER. I have not yielded, and I do not think in the middle of another Senator's address the Senator can raise the point of order. I raise the point of order that the Senator can not be recognized for that purpose without my consent.

Mr. REED. A point of order is always in order.

Mr. McCUMBER. The Senator can rise to a parliamentary inquiry.

The VICE PRESIDENT. The rules of the Senate are to the effect that a question of order may be raised at any stage of the proceedings. The Chair will read the rule:

A question of order may be raised at any stage of the proceedings, except when the Senate is dividing.

So the Senator from Missouri, if he desires to make a point of order, has the right to do so now.

Mr. REED. I understood the Senator from North Dakota to say that he now offered "the following amendment," and he then proceeded to read his amendment. The amendment is, therefore, before the Senate; and I make the point of order that the amendment is general legislation; that the amendment includes items not estimated for by any department of the Government; that the amendment has not been favorably reported by any committee; and that the amendment is practically a reintroduction at the same session of Congress of a bill already defeated at the present session. Upon that point of order I ask for the ruling of the Chair.

Mr. McCUMBER. Mr. President, I desire to state in reference to that——

Mr. REED. The question is not debatable, Mr. President.

The VICE PRESIDENT. The point of order is not debatable; but, as the Chair understands the rule of the Senate, amendments must be sent to the desk and presented to the Senate. The reading of an amendment by a Senator, it not having been sent up to the Secretary's desk, does not constitute a presentation of the amendment to the Senate.

Mr. McCUMBER. That was the point of order I desired to state.

I will proceed to quote what the Senator from Minnesota said with reference to these three sections. He said:

If the bill were confined to sections 5, 6, and 7—

Those are the three sections which I read—

providing for national standardization and nothing more, it would be unobjectionable and would accomplish all that is necessary and proper. I call attention to those sections.

Then the Senator read the three sections which I have read, and proceeded:

If you take these three sections and limit the bill to them, you can get national standards for the whole country established by the Federal Government that will be standards for all interstate commerce. If you stop there, you leave the inspection force of each State to live up to those standards.

Mr. President, I did stop there, and, striking out the numbers of the sections, I shall offer them as an amendment. I would ask, in view of the fact that questions of order concerning amendments containing legislation quite similar have been submitted to the Senate, that I be accorded at least that courtesy. Though the Chair may differ from me as to whether or not it is general legislation, and there is no question about the authority of the Chair to refuse to submit the question to the Senate, it would gratify me if the Chair would do so in this particular instance; and I will then take no further time.

I offer as an amendment sections 5, 6, and 7 of the old bill, striking out the numbers of the sections.

The VICE PRESIDENT. The amendment has been read, and the point of order, the Chair understands, has been made by the Senator from Missouri [Mr. REED]. There is a very easy way to overrule the Chair, and that is by appealing from the decision of the Chair. The Chair has heretofore expressed the opinion as to similar amendments that they were general legislation and subject to the point of order. The Chair accordingly sustains the point of order as to the amendment proposed by the Senator from North Dakota.

Mr. McCUMBER. I appeal from the decision of the Chair, and on that I ask for the yeas and nays.

The VICE PRESIDENT. The question is, Shall the decision of the Chair stand as the judgment of the Senate? On that question the Senator from North Dakota asks for the yeas and nays.

The yeas and nays were not ordered.

Mr. McCUMBER. Mr. President, before the question is put to the Senate, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Brady	Johnson	Overman	Smith, S. C.
Brandegee	Jones	Page	Smoot
Bryan	Kenyon	Reed	Sterling
Burleigh	Kern	Robinson	Swanson
Chamberlain	Lane	Shafroth	Thornton
Chilton	McCumber	Sheppard	Tillman
Crawford	Martin, Va.	Sherman	Warren
Gallinger	Martine, N. J.	Smith, Ga.	Weeks
Gore	Nelson	Smith, Md.	West
Hughes	Norris	Smith, Mich.	

Mr. THORNTON. I desire to announce the necessary absence of the junior Senator from New York [Mr. O'GORMAN].

Mr. OVERMAN. I desire to announce that my colleague [Mr. SIMMONS] is detained at home on account of illness.

Mr. SHAFROTH. I desire to announce the unavoidable absence of my colleague [Mr. THOMAS], and to state that he has a general pair with the senior Senator from New York [Mr. ROOT].

Mr. SMITH of Michigan. My colleague [Mr. TOWNSEND] is unavoidably detained from the Chamber on official business.

The VICE PRESIDENT. Thirty-nine Senators have answered to the roll call. There is not a quorum present.

Mr. KERN. I suggest that the names of the absent Senators be called.

The VICE PRESIDENT. The Secretary will call the names of the absent Senators.

The Secretary called the names of the absent Senators, and Mr. RANSDELL, Mr. SHIVELY, and Mr. THOMPSON responded to their names when called.

Mr. BORAH, Mr. CLAPP, Mr. LEA of Tennessee, and Mr. SHIELDS entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-six Senators have answered to the roll call. There is not a quorum present.

Mr. WEST. I move that the Senate adjourn.

Mr. KERN. I hope the Senator will not press that motion at this time.

Mr. WEST. Very well; I withdraw the motion.

Mr. KERN. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

Mr. LA FOLLETTE entered the Chamber and answered to his name.

The VICE PRESIDENT. The question is on the motion of the Senator from Indiana.

Mr. McCUMBER. What is the motion?

The VICE PRESIDENT. That the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms will execute the order of the Senate.

Mr. McCUMBER. I move that the Senate adjourn.

The question being put, there were, on a division—ayes 17, noes 17.

The VICE PRESIDENT. The Chair votes "no," and the Senate refuses to adjourn. The Sergeant at Arms will carry out the instructions of the Senate.

Mr. GALLINGER. Mr. President, in the interest of the public business, I move that the Senate take a recess until 11 o'clock to-morrow.

Mr. OVERMAN. I am surprised that the Senator should have made that motion. It is out of order.

Mr. GALLINGER. I withdraw the motion.

The VICE PRESIDENT. The Chair would have to sustain the point of order against the motion.

Mr. GALLINGER. The motion is withdrawn.

Mr. LEE of Maryland entered the Chamber and answered to his name.

The VICE PRESIDENT. Forty-eight Senators have answered to the roll call. There is a quorum present.

Mr. KERN. I ask that the order directing the Sergeant at Arms to request the attendance of absent Senators be vacated.

The VICE PRESIDENT. In the absence of objection, it is so ordered.

Mr. KERN. I move that when the Senate adjourns to-day it adjourn to meet to-morrow at 11 o'clock a. m.

The motion was agreed to.

The VICE PRESIDENT. The Senator from North Dakota [Mr. MCCUMBER] presented an amendment to the bill, which, upon a point of order being raised, the Chair decided to be not in order. From this ruling the Senator from North Dakota has appealed. The question is, Shall the ruling of the Chair stand as the judgment of the Senate?

Mr. REED. I move to lay the appeal on the table.

The motion was agreed to.

Mr. KENYON. I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 20, in lines 18 and 19, it is proposed to strike out the words and figures "and for farm demonstration work, $400,000," and insert "$250,000," so that, if amended, it will read:

To investigate and encourage the adoption of improved methods of farm management and farm practice, $250,000.

It is also proposed to insert, after the word "stock" in line 22, page 20, the following:

For farm-demonstration work outside of the cotton belt, $400,000.

Mr. KENYON. Mr. President, I should like to ask the chairman of the committee if the bill can not go over until to-morrow. It will take some 15 or 20 minutes in any event to explain this amendment, though I shall be very brief in explaining it. I should prefer, however, to have the matter go over.

Mr. GORE. I will say to the Senator that the $400,000 included in the bill is for demonstration work outside of the cotton belt.

Mr. KENYON. My very purpose is to show that that statement, as I view it, is not correct; and I am merely trying to accomplish the object which the Senator says the bill does accomplish. If it did, I should not press the amendment; but I expect to show that the farm-demonstration work outside of the cotton belt is limited to about $138,000. I think the House added a little more, so that it runs up to $170,000. I want to differentiate the items that are included in the appropriation of $400,000 and give them their proper place under the appropriation of $250,000 and then leave the appropriation of $400,000 for farm-demonstration work.

It will require, being as brief as I can be, some 15 or 20 minutes, and I wish the Senator from Oklahoma would not press the matter to-night. I will go ahead, however, if he insists.

Mr. GORE. I understand that the Senator from Indiana [Mr. KERN] desires to move an executive session.

Mr. KERN. We desire to have a brief executive session.

Mr. GORE. I therefore yield to the Senator from Indiana.

EXECUTIVE SESSION.

Mr. KERN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 10 minutes spent in executive session the doors were reopened, and (at 5 o'clock and 56 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, May 20, 1914, at 11 o'clock a. m.

CONFIRMATIONS.

Executive nominations confirmed by the Senate May 19, 1914.

UNITED STATES ATTORNEY.

Thomas D. Slattery to be United States attorney for the eastern district of Kentucky.

UNITED STATES MARSHAL.

John S. P. H. Wilson to be United States marshal for the district of Maine.

PROMOTIONS AND APPOINTMENT IN THE NAVY.

Lieut. Commander Frank H. Brumby to be a commander.
Lieut. Frank R. McCrary to be a lieutenant commander.
Ensign Kinchen L. Hill to be a lieutenant (junior grade).
Lieut. (Junior Grade) Weyman P. Beehler to be a lieutenant.
Asst. Naval Constructor Roy W. Ryden to be a naval constructor.
Asst. Naval Constructor Waldo P. Druley to be a naval constructor.
William McKinney to be an assistant surgeon in the Medical Reserve Corps of the Navy.

POSTMASTERS.

ALABAMA.

George Cotton, Dothan.
Ella M. Harris, York.
R. M. Jemison, Talladega.
John E. McGee, Carrollton.

ARKANSAS.

Arthur G. Morris, Heber Springs.

CALIFORNIA.

R. A. Boyd, Highland.
George E. Glover, Azusa.
Charles B. McDonell, Ventura.
May A. Miller, Glendora.
John H. Quinlan, Half Moon Bay.
T. M. Storke, Santa Barbara.
R. Warner Thomas, Redlands.

GEORGIA.

Henry T. Sewell, Lavonia.

IDAHO.

Joseph S. Robison, Montpelier.

INDIANA.

John W. Bosse, Decatur.
Oscar C. Bradford, Marion.
William W. Briggs, Geneva.
William E. Cartwright, Summitville.
Julius C. Fishel, Hope.
John C. Gorman, Princeton.
Anderson B. Lee, Alexandria.
Sylvester Rennaker, Converse.
James R. Sage, Milroy.
Albert Spanagel, Lawrenceburg.
Frank J. Vessely, North Judson.

ILLINOIS.

F. H. Stevens, La Grange.

MINNESOTA.

William E. McEwen, Duluth.

MONTANA.

John H. Booth, Ekalaka.
Thomas A. Busey, Conrad.
Augusta C. Sheridan, Bigtimber.

NEW MEXICO.

E. V. Long, East Las Vegas.

OKLAHOMA.

George W. Barefoot, Chickasha.
S. B. Elrod, Hominy.
F. B. Hutchison, Kaw.
J. O. Parker, Avant.

SOUTH DAKOTA.

Stephen Donahoe, Sioux Falls.
Patrick Holland, Fort Pierre.

UTAH.

D. L. Argyle, Salina.
James H. Clarke, American Fork.
A. Horace Gleason, Garland.

VIRGINIA.

J. M. Minnich, Gate City.

WASHINGTON.

LeRoy R. Sines, Chelan.
Sherman E. Huntley, Buckley.

HOUSE OF REPRESENTATIVES.

TUESDAY, *May 19, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Bring us, we pray Thee, our Father in heaven, by Thy holy influence, into harmony with the great eternal plan that with clear minds, strong hearts, and willing hands we may work together with Thee for the final consummation of good. That Thy kingdom may indeed come in every heart and Thy will be done to the honor and glory of Thy holy name. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

SWEARING IN OF A MEMBER.

Mr. UNDERWOOD. Mr. Speaker, I desire to present to the House Judge C. C. HARRIS, of Alabama, who has been elected without opposition to succeed the late Representative Richardson from the eighth district of Alabama, to fill the vacancy caused by Judge Richardson's death. Judge HARRIS was elected last Monday without any opposition, but his credentials have not yet arrived. I ask unanimous consent that he may take the oath of office now.

The SPEAKER. The gentleman from Alabama states that Judge HARRIS, successor to Judge Richardson, is present; that he was elected without opposition from the eighth Alabama district; and that his credentials have not yet arrived; and he asks that he be allowed now to take the oath of office. Is there objection? [After a pause.] The Chair hears none.

Mr. HARRIS appeared at the bar of the House and took the oath of office required by law.

THOMAS B. M'CLINTIC.

Mr. POU. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 661) for the relief of the widow of Thomas B. McClintic, and agree to the conference asked by the Senate.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to take from the Speaker's table the Senate bill 661 and agree to the conference asked by the Senate. Is there objection?

There was no objection.

The Chair appointed as conferees on the part of the House Mr. POU, Mr. DIES, and Mr. MOTT.

LEAVE OF ABSENCE.

Mr. ROGERS, by unanimous consent, was given leave of absence for one week, on account of the serious illness of his father.

SENATE BILL REFERRED.

Under clause 2 of Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee as indicated below:

S. 3886. An act to repeal sections 2588, 2589, and 2590 of the Revised Statutes of the United States; to the Committee on Ways and Means.

CONDITIONS IN COLORADO.

Mr. SELDOMRIDGE. Mr. Speaker, I ask unanimous consent to have printed in the RECORD a copy of a joint resolution adopted by the Colorado Legislature, approved May 15, 1914, with reference to conditions existing in that State growing out of the strike. In view of the statements that have been made on the floor of the House I would like to have this resolution printed in the RECORD.

Mr. MADDEN. What does the resolution say?

Mr. SELDOMRIDGE. I will have them read if the gentleman desires

The SPEAKER. The gentleman from Colorado asks unanimous consent to have printed in the RECORD certain resolutions passed by the Colorado Legislature relating to the strike in Colorado.

Mr. BARNHART. Mr. Speaker, reserving the right to object, I would like to ask the gentleman if these resolutions refer directly to remarks made on the floor of the House?

Mr. SELDOMRIDGE. They refer to conditions in the public mind, not only in Colorado but elsewhere throughout the country, which have grown out of remarks made on conditions in that State, some of which have been made, I have no doubt, on the floor of the House.

Mr. BARNHART. Is the gentleman sure that remarks have been made on the floor of the House?

Mr. SELDOMRIDGE. I am not sure; but I am satisfied there have been.

Mr. BARNHART. Mr. Speaker, until the gentleman can give us an assurance that the resolutions are the result of remarks made on the floor of the House I shall object.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED.

The SPEAKER announced his signature to enrolled bills and a joint resolution of the following titles:

S. 5066. An act to increase the authorization for a public building at Osage City, Kans.;

S. 5552. An act to amend an act entitled "An act for the relief of Gordon W. Nelson," approved May 9, 1914;

S. 65. An act to amend an act entitled "An act providing that the State of Wyoming be permitted to relinquish to the United States certain lands heretofore selected and to select other lands from the public domain in lieu thereof," approved April 12, 1910; and

S. J. Res. 139. Joint resolution to authorize the President to grant leave of absence to an officer of the Corps of Engineers for the purpose of accepting an appointment under the Government of China on works of conservation and public improvement.

WARNING SIGNALS FOR VESSELS WORKING ON WRECKS.

Mr. MANN. Mr. Speaker, yesterday the House passed the Senate bill 5289 to provide for warning signals for vessels working on wrecks, and so forth, and corrected the title. There were two amendments to correct the title and they were both wrong. The bill relates to the amendment to an act approved June 7, 1897, the title as amended providing either for an amendment to an act approved June 7, 1897, or June 27, 1890, it is impossible to tell which. I ask to have the title corrected so that it will be to amend an act approved June 7, 1897.

In the first amendment adopted in the House yesterday to strike out the language which appears in lines 3 and 4 of the bill reported to the House, the language stricken out should have been "marking a wreck or," and there should have been inserted as a part of the amendment at the end of the amendment the word "by." I ask unanimous consent that the vote by which the bill was passed may be reconsidered, and the bill returned to a second reading so that these corrections may be made.

The SPEAKER. The gentleman from Illinois asks to vacate the proceedings on the bill S. 5289 back to the amendment stage. Is there objection?

There was no objection.

Mr. MANN. Now, Mr. Speaker, I ask to have the amendment which was agreed to corrected; to strike out the language proposed to be stricken out by the first amendment, "marking a wreck or," and that there be added to the amendment agreed to at the end the word "by."

The SPEAKER. The gentleman asks unanimous consent that the words "marking a wreck or" be stricken out and that the word "by" be inserted at the end of the amendment. Is there objection?

There was no objection.

The bill as amended was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "June 7, 1897."

STANDARD OIL.

Mr. MURRAY of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the influence of Standard Oil in the midcontinental oil field.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to extend his remarks in the RECORD on the subject of influence of the Standard Oil in the midcontinental oil field. Is there objection?

There was no objection.

RURAL CREDITS.

Mr. WILSON of Florida. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of rural credits.

The SPEAKER. The gentleman from Florida asks unanimous consent to extend his remarks in the RECORD on the subject of rural credits. Is there objection?

There was no objection.

CONTRIBUTION FOR POLITICAL PURPOSES.

Mr. RUCKER. Mr. Speaker, I call up House resolution 256. On last Friday I asked unanimous consent to revise and extend my remarks in the RECORD, but I notice that the request was not put by the Speaker. I now renew that request.

The SPEAKER. The gentleman from Missouri asks unanimous consent to extend his remarks in the RECORD on the resolution. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the resolution by title.

The Clerk read the resolution by title, as follows:

Resolution (H. Res. 256) providing for the appointment of a committee to investigate and report whether any Members have been guilty of violating the provisions of the Criminal Code by soliciting contributions for political purposes, etc.

The SPEAKER. On last Friday, just before the House adjourned, the gentleman from Missouri moved the previous question, and the question now is on ordering the previous question.

The previous question was ordered.

The SPEAKER. The question now is on striking out the original resolution and inserting.

Mr. AUSTIN. Mr. Speaker, I ask that the resolution may be reported, as there were not many Members in the House on Friday afternoon.

Mr. UNDERWOOD. Mr. Speaker, the resolution is somewhat long, and as the substitute is what we are voting on I ask that the substitute be read.

Mr. MANN. Oh, I take it this would require only the reading of the original resolution at this time, and not the preamble.

Mr. UNDERWOOD. Very well, Mr. Speaker, with that understanding, I do not object.

The SPEAKER. The Clerk will read the Mann resolution and then the Rucker substitute.

The Clerk read as follows:

Resolved, That a committee of seven Members shall be appointed by the Speaker to investigate and report to this House whether any Members of this House have been guilty of violating any of the provisions of the Criminal Code by soliciting or receiving or by being in any manner concerned in soliciting or receiving any assessment, subscription, or contribution for any political purpose whatever from any person receiving any salary or compensation from moneys derived from the Treasury of the United States, and particularly from Members of this House, to the end that it may be ascertained whether the Members of this House, constituting in part the law making branch of the Government, are above the law.

Substitute:

Resolved, That it is no violation of section 118 of the Criminal Code of the United States for a Senator or Member of the House to solicit or receive assessments or contributions for political purposes from other Senators or Members of the House.

Resolved, That it is no violation of section 119 of the Criminal Code of the United States for a Senator or Member of the House to solicit contributions for political purposes, from other Senators or Members of the House, by letters written in his office in the Senate or House Office Building.

The SPEAKER. The question is on agreeing to the substitute which the committee reported to strike out the original resolution.

The question was taken; and on a division (demanded by Mr. RUCKER) there were—ayes 71, noes 44.

Mr. MANN. Mr. Speaker, I demand the yeas and nays; and pending that, as a matter of convenience to the Members, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Illinois makes the point of order that there is no quorum present. Evidently there is no quorum present. The Doorkeeper will lock the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 178, nays 80, answered "present" 22, not voting, 154, as follows:

YEAS—178.

Abercrombie	Claypool	Gordon	Lieb
Adair	Cline	Gorman	Linthicum
Adamson	Coady	Graham, Ill.	Lloyd
Aiken	Collier	Gray	Lobeck
Alexander	Connelly, Kans.	Gregg	Lonergan
Allen	Conry	Hamlin	McAndrews
Aswell	Covington	Hammond	McDermott
Baker	Crosser	Hardy	McGillicuddy
Baltz	Davenport	Harris	McKellar
Barkley	Decker	Harrison	MacDonald
Barnhart	Dent	Hart	Maguire, Nebr.
Bathrick	Dickinson	Hay	Mitchell
Beakes	Dixon	Hayden	Moon
Beall, Tex.	Donovan	Helm	Morgan, La.
Blackmon	Doolittle	Henry	Morrison
Booher	Doughton	Hensley	Murray, Mass.
Borchers	Dupré	Hill	Neeley, Kans.
Borland	Eagan	Hinebaugh	Neely, W. Va.
Bowdle	Eagle	Hobson	Nolan, J. I.
Brown, W. Va.	Edwards	Howard	O'Brien
Buchanan, Tex.	Evans	Hughes, Ga.	Oldfield
Bulkley	Fergusson	Hull	O'Leary
Burgess	Ferris	Igoe	O'Shaunessy
Burke, Wis.	FitzHenry	Jacoway	Padgett
Burnett	Flood, Va.	Johnson, Ky.	Page, N. C.
Byrnes, S. C.	Floyd, Ark.	Keating	Park
Byrns, Tenn.	Fowler	Kettner	Patten, N. Y.
Candler, Miss.	Gallagher	Key, Ohio	Post
Cantor	Gallivan	Kindel	Pou
Cantrill	Garner	Kinkead, N. J.	Ragsdale
Caraway	Garrett, Tex.	Korbly	Rainey
Carew	Gilmore	Lazaro	Raker
Carter	Goeke	Lee, Ga.	Rauch
Clancy	Goodwin, Ark.	Lever	Rayburn
Reed	Sparkman	Tavenner	Vollmer
Reilly, Conn.	Stedman	Taylor, Ark.	Walker
Rouse	Stephens, Cal.	Taylor, Colo.	Webb
Rubey	Stephens, Miss.	Ten Eyck	Whitacre
Rucker	Stephens, Nebr.	Thomas	Williams
Russell	Stephens, Tex.	Thompson, Okla.	Wilson, Fla.
Sherwood	Stevens, N. H.	Thomson, Ill.	Wingo
Sisson	Stout	Tribble	Woodruff
Small	Sumners	Underhill	Young, Tex.
Smith, Md.	Taggart	Underwood	
Smith, N. Y.	Talbott, Md.	Vaughan	

NAYS—80.

Anderson	Dyer	Kennedy, Iowa	Powers
Anthony	Esch	Kennedy, R. I.	Roberts, Mass.
Austin	Fordney	Kinkaid, Nebr.	Roberts, Nev.
Barton	Frear	Knowland, J. R.	Scott
Bell, Cal.	French	La Follette	Sedgwick
Britten	Gardner	McKenzie	Sinnott
Browne, Wis.	Green, Iowa	McLaughlin	Sloan
Bryan	Greene, Mass.	Madden	Smith, Idaho
Calder	Hamilton, Mich.	Mann	Smith, Minn.
Campbell	Hamilton, N. Y.	Mapes	Smith, Saml. W.
Cary	Haugen	Mondell	Stafford
Cooper	Hawley	Moore	Steenerson
Cox	Helgesen	Morgan, Okla.	Stevens, Minn.
Cramton	Hinds	Norton	Stone
Cullop	Howell	Parker	Switzer
Danforth	Humphrey, Wash.	Payne	Towner
Davis	Johnson, Utah	Peters, Me.	Weaver
Dillon	Johnson, Wash.	Peterson	Willis
Drukker	Kahn	Platt	Witherspoon
Dunn	Kelley, Mich.	Plumley	Young, N. Dak.

ANSWERED "PRESENT"—22.

Bartlett	Foster	Lindbergh	Smith, J. M. C.
Brockson	Gerry	Montague	Thacher
Browning	Glass	Murray, Okla.	Watkins
Burke, S. Dak.	Guernsey	Peters, Mass.	Watson
Church	Holland	Saunders	
Doremus	Houston	Sims	

NOT VOTING—154.

Ainey	Faison	Kitchin	Prouty
Ansberry	Falconer	Konop	Quin
Ashbrook	Farr	Kreider	Reilly, Wis.
Avis	Fess	Lafferty	Riordan
Bailey	Fields	Langham	Rogers
Barchfeld	Finley	Langley	Rothermel
Bartholdt	Fitzgerald	Lee, Pa.	Rupley
Bell, Ga.	Francis	L'Engle	Sabath
Brodbeck	Gard	Lenroot	Scully
Broussard	Garrett, Tenn.	Lesher	Sells
Brown, N. Y.	George	Levy	Shackleford
Bruckner	Gillett	Lewis, Md.	Sharp
Brumbaugh	Gittins	Lewis, Pa.	Sherley
Buchanan, Ill.	Godwin, N. C.	Lindquist	Shreve
Burke, Pa.	Goldfogle	Loft	Slayden
Butler	Good	Logue	Slemp
Callaway	Goulden	McClellan	Smith, Tex.
Carlin	Graham, Pa.	McCoy	Stanley
Carr	Greene, Vt.	McGuire, Okla.	Stringer
Casey	Griest	Mahan	Sutherland
Chandler, N. Y.	Griffin	Maher	Talcott, N. Y.
Clark, Fla.	Gudger	Manahan	Taylor, Ala.
Clayton	Hamill	Martin	Taylor, N. Y.
Connolly, Iowa	Hardwick	Merritt	Temple
Copley	Hayes	Metz	Townsend
Crisp	Heflin	Miller	Treadway
Curry	Helvering	Morin	Tuttle
Dale	Hoxworth	Moss, Ind.	Vare
Deitrick	Hughes, W. Va.	Moss, W. Va.	Volstead
Dershem	Hulings	Mott	Wallin
Dies	Humphreys, Miss.	Murdock	Walsh
Difenderfer	Johnson, S. C.	Nelson	Walters
Donohoe	Jones	Oglesby	Whaley
Dooling	Keister	O'Hair	White
Driscoll	Kelly, Pa.	Paige, Mass.	Wilson, N. Y.
Edmonds	Kennedy, Conn.	Palmer	Winslow
Elder	Kent	Patton, Pa.	Woods
Estopinal	Kiess, Pa.	Phelan	
Fairchild	Kirkpatrick	Porter	

So the substitute was agreed to.

The Clerk announced the following pairs:

For the session:

Mr. BARTLETT with Mr. BUTLER.

Mr. SCULLY with Mr. BROWNING.

Mr. METZ with Mr. WALLIN.

Until further notice:

Mr. TAYLOR of Alabama with Mr. HUGHES of West Virginia.

Mr. CASEY with Mr. SHREVE.

Mr. SMITH of Texas with Mr. BARCHFELD.

Mr. DALE with Mr. MARTIN.

Mr. SLAYDEN with Mr. BURKE of Pennsylvania.

Mr. BELL of Georgia with Mr. BURKE of South Dakota.

Mr. GUDGER with Mr. GUERNSEY.

Mr. CALLAWAY with Mr. MERRITT.

Mr. CARR with Mr. WALTERS (commencing May 18).

Mr. PALMER with Mr. VARE.

Mr. GLASS with Mr. SLEMP.

Mr. TOWNSEND with Mr. TREADWAY (commencing May 19, ending May 19).

Mr. WALSH with Mr. GRAHAM of Pennsylvania (commencing May 19, ending May 19).

Mr. OGLESBY with Mr. GOOD (commencing May 19, ending May 19).
Mr. TUTTLE with Mr. PROUTY.
Mr. FITZGERALD with Mr. GILLETT (commencing May 19, ending May 19).
Mr. FOSTER with Mr. FESS.
Mr. KONOP with Mr. FAIRCHILD.
Mr. ANSBERRY with Mr. AINEY.
Mr. ASHBROOK with Mr. AVIS.
Mr. BAILEY with Mr. COPLEY.
Mr. BROWN of New York with Mr. CURRY.
Mr. BUCHANAN of Illinois with Mr. EDMONDS.
Mr. CARLIN with Mr. FARR.
Mr. CLARK of Florida with Mr. FALCONER.
Mr. CONNOLLY of Iowa with Mr. GREENE of Vermont.
Mr. DERSHEM with Mr. GRIEST.
Mr. DIES with Mr. HAYES.
Mr. DIFENDERFER with Mr. HULINGS.
Mr. DONOHOE with Mr. KEISTER.
Mr. DRISCOLL with Mr. KELLY of Pennsylvania.
Mr. FAISON with Mr. LAFFERTY.
Mr. FIELDS with Mr. LANGLEY.
Mr. FINLEY with Mr. LANGHAM.
Mr. FRANCIS with Mr. LEWIS of Pennsylvania.
Mr. GARD with Mr. LINDQUIST.
Mr. GARRETT of Tennessee with Mr. MANAHAN.
Mr. GODWIN of North Carolina with Mr. MCGUIRE of Oklahoma.
Mr. GEORGE with Mr. MILLER.
Mr. GOLDFOGLE with Mr. MORIN.
Mr. HARDWICK with Mr. NELSON.
Mr. HEFLIN with Mr. MOSS of West Virginia.
Mr. HUMPHREYS of Mississippi with Mr. MOTT.
Mr. JOHNSON of South Carolina with Mr. MURDOCK.
Mr. KITCHIN with Mr. BARTHOLDT.
Mr. LEE of Pennsylvania with Mr. KIESS of Pennsylvania.
Mr. MCCLELLAN with Mr. VOLSTEAD.
Mr. MCCOY with Mr. WOODS.
Mr. O'HAIR with Mr. WINSLOW.
Mr. PHELAN with Mr. PAIGE of Massachusetts.
Mr. QUIN with Mr. ROGERS.
Mr. RIORDAN with Mr. RUPLEY.
Mr. ROTHERMEL with Mr. PORTER.
Mr. SABATH with Mr. SUTHERLAND.
Mr. SHACKLEFORD with Mr. TEMPLE.
Mr. SHERLEY with Mr. PATTON of Pennsylvania.
Mr. TALCOTT of New York with Mr. KREIDER.
Mr. LEVY with Mr. SELLS.

Mr. BROWNING. Mr. Speaker, I voted "no." I am paired with the gentleman from New Jersey, Mr. SCULLY, and I desire to withdraw my vote of "no" and answer "present."

The name of Mr. BROWNING was called, and he answered "Present."

Mr. GLASS. Mr. Speaker, I am told I am paired with the gentleman from Virginia, Mr. SLEMP. I therefore withdraw my vote of "aye" and answer "present."

The name of Mr. GLASS was called, and he answered "Present."

The result of the vote was announced as above recorded.

The SPEAKER. The question now is on the resolution as amended.

The question was taken, and the resolution as amended was agreed to.

On motion of Mr. RUCKER, a motion to reconsider the vote by which the amended resolution was agreed to was laid on the table.

ANTITRUST LEGISLATION.

Mr. HENRY. Mr. Speaker, I offer a privileged resolution from the Committee on Rules.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House resolution 521 (H. Rept. 687).

Resolved, That immediately upon the adoption of this resolution the House shall resolve itself into the Committee of the Whole House on the state of the Union for the consideration, in the order named, of the following bills, to wit:

1. H. R. 15613. "To create an interstate trade commission." The first reading of the bill shall be dispensed with, and there shall be not exceeding six hours of general debate on the bill, to be equally divided between those who favor and those who oppose the same, one-half of such time to be controlled by the gentleman from Georgia [Mr. ADAMSON] and the other half by the gentleman from Oregon [Mr. LAFFERTY]. At the conclusion of such general debate the bill shall be read for amendment under the five-minute rule. After the bill shall have been perfected in the Committee of the Whole, the same shall be laid aside with such recommendations as the committee may make.

2. H. R. 15657. "To supplement existing laws against unlawful restraints and monopolies." The first reading of the bill shall be dispensed with, and there shall not be exceeding 16 hours of general debate, to be equally divided between those who favor and those who oppose the same, one half of such time to be controlled by the gentleman from Alabama [Mr. CLAYTON] and the other half by the gentleman from Minnesota [Mr. VOLSTEAD]. At the conclusion of such general debate the bill shall be considered for amendment under the five-minute rule and only the substitute reported by the Judiciary Committee shall be read. After the bill shall have been perfected in the Committee of the Whole the same shall be laid aside with such recommendation as the committee may make.

3. H. R. 16586. "To amend section 20 of an act to regulate commerce, etc." The first reading of the bill shall be dispensed with and there shall be not exceeding 10 hours of general debate, to be divided equally between those who favor and those who oppose the bill, one half of such time to be controlled by the gentleman from Georgia [Mr. ADAMSON] and the other half by the gentleman from Minnesota [Mr. STEVENS]. At the conclusion of such general debate the bill shall be considered in the Committee of the Whole House on the state of the Union and shall be read for amendment under the five-minute rule. After the bill shall have been perfected in the Committee of the Whole the same shall be laid aside with such recommendations as the committee may make.

At the conclusion of the consideration of the three bills above specified in the Committee of the Whole the committee shall rise and report the same to the House in the order named, whereupon the previous question shall be considered as ordered upon each of said bills and amendments thereto separately as to each bill and in the order named to final passage without intervening motion, except one motion to recommit on each of said bills.

The order of business provided by this resolution shall be the continuing order of business of the House until concluded, except that it shall not interfere with Calendar Wednesday, nor with the consideration of H. R. 16508, the further urgent deficiency bill, nor with the consideration of conference reports on appropriation bills or the sending of appropriation bills to conference. All debate shall be confined to the subject matter then under consideration, and all Members speaking upon said bill shall have the right to revise and extend their remarks in the RECORD, and all Members shall have the right to print remarks on said bill during not exceeding five legislative days.

During the continuance of this order of business, except on Wednesdays, the House shall meet each day at 11 o'clock a. m. And while the general debate is in progress the House shall recess at not later than 5.30 p. m. until 8 o'clock p. m., when it shall reconvene and continue in session until not later than 11 o'clock p. m.

The SPEAKER. Before this debate begins, the Chair lays before the House the following personal requests.

The Clerk read as follows:

Mr. STEPHENS of Mississippi requests leave of absence indefinitely, on account of serious illness in his family.

Mr. ESTOPINAL requests leave of absence indefinitely, on account of illness.

The SPEAKER. Without objection, the requests will be granted.

Mr. MANN. Mr. Speaker, reserving the right to object, I would like to make a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MANN. I hope it will not embarrass the Speaker; and my request is as to whether, if this rule be adopted in the form it is, such matters as this can be presented to the House before all of these bills are finally voted upon? I notice the rule says it shall be a continuing order except——

Mr. HENRY. To what matters does the gentleman refer?

The SPEAKER. What is it the gentleman asks?

Mr. MANN. Well, leaves of absence and things of that sort, as to whether it will interfere with matters upon the Speaker's table?

The SPEAKER. Oh, no; it would not interfere with personal requests; it would interfere with all other business except things like that. Of course, the Chair would have to be governed by common sense.

Mr. HENRY. I would like to ask the gentleman from Kansas [Mr. CAMPBELL] how much time he would like for discussion of the rule.

Mr. CAMPBELL. Mr. Speaker, I think we can get on with a half an hour on this side if an agreement can be reached for that amount of time.

Mr. HENRY. That is entirely satisfactory to me.

Mr. CAMPBELL. I will state to the gentleman I have just had some additional requests, and if the gentleman will make it five more minutes that would be more acceptable.

Mr. HENRY. Well, say an hour and ten minutes.

Mr. CAMPBELL. Yes.

Mr. HENRY. I have no objection to making it 35 minutes on each side. Mr. Speaker, I ask unanimous consent that debate on this rule extend for 1 hour and 10 minutes, and at the end of that time the previous question shall be considered as ordered on the rule, the time to be equally divided between the two sides.

Mr. MANN. Reserving the right to object, I am quite willing the previous question shall be then submitted to the House, but it might develop that some one wanted to offer an amendment and the House might not want to order the previous question.

Mr. HENRY. Well, I do not believe anyone would want to offer an amendment to the rule, but, of course, I will move the

previous question at the end of that time, and that will be the understanding.

Mr. MANN. I am perfectly willing for the gentleman to have the right to move the previous question at the end of that time.

Mr. HENRY. If that is the agreement and understanding——

The SPEAKER. Now, what is the agreement? The Chair does not want to get it wrong.

Mr. HENRY. That the debate on the rule shall not exceed 1 hour and 10 minutes, 35 minutes of which time to be controlled by myself and 35 minutes by the gentleman from Kansas, and at the end of that time that I be recognized to move the previous question on the resolution.

The SPEAKER. Before the Chair puts that he wants to answer more fully the parliamentary inquiry of the gentleman from Illinois. The Chair thinks that during this lapse of time in which these bills are to be debated all such things as personal requests, sending bills to conference, taking bills from the Speaker's table with Senate amendments, and so forth, where it does not take too long, ought to be attended to——

Mr. MANN. I do not know how that would be determined.

The SPEAKER. The Speaker might determine it with the consent of the House.

Mr. HENRY. Is there anything in this resolution which forbids the Speaker when the committee rises each afternoon or night from submitting these personal requests?

The SPEAKER. The Chair thinks not.

Mr. MANN. There would be if anybody asked for the regular order.

Mr. GARNER. That would be equivalent to an objection, anyway.

The SPEAKER. Everybody in the House knows very frequently there are matters that do not take more than a minute or two to transact, but which are of a good deal of importance to some particular Member, but, of course, if the Chair believes something is going to take two or three hours, he will refuse to recognize them.

Mr. MACDONALD. Will the gentleman yield?

Mr. HENRY. Let us have this agreement.

The SPEAKER. The gentleman from Texas asks that debate on this rule be limited to 1 hour and 10 minutes, 35 minutes of that time to be controlled by the gentleman from Kansas and 35 minutes by himself. Is there objection? [After a pause.] The Chair hears none.

Mr. HENRY. And the understanding and agreement is, of course, that at the end of that time I move the previous question.

The SPEAKER. Well, the Chair will recognize the gentleman from Texas when this debate is over to move the previous question.

Mr. HENRY. I now yield to the gentleman from Michigan.

Mr. MACDONALD. The gentleman from Oregon [Mr. LAFFERTY], who is the Progressive member of the committee and to whom time is assigned, is not here, and probably will not be here during this debate.

Mr. HENRY. Mr. Speaker, let us presume Mr. LAFFERTY will return by the time the rule is adopted, and after we have adopted it if the gentleman does not return it will be time to take up the matter——

Mr. MACDONALD. I would like to make sure about that, as I understand debate will begin immediately on this matter.

Mr. MANN. Will the gentleman yield? The gentleman from Michigan referred to the gentleman from Oregon as the Progressive member of the committee. He has just been a candidate for Congress on the Republican ticket. How does the gentleman know he is now a Progressive?

Mr. MACDONALD. I will say to the gentleman from Illinois [Mr. MANN] I do not know if he is a Progressive now, but I do know that he was put on this committee to represent the Progressive Members of this House.

Mr. MANN. In the Directory he has always put himself in as a Republican and never as a Progressive.

Mr. GARNER. What was the result of this conglomeration in which he has recently been a candidate?

Mr. MANN. All I saw was in the daily press.

Mr. HENRY. Mr. Speaker, I yield 10 minutes to the gentleman from Tennessee [Mr. GARRETT], who will explain the provisions of this special rule.

The SPEAKER. The gentleman from Tennessee [Mr. GARRETT] is recognized for 10 minutes.

Mr. GARRETT of Tennessee. Mr. Speaker, the resolution which has been offered is very clear in its terms, and it seems to me explains itself. It provides an order of business which will be the continuing order until concluded, not to interfere with certain matters therein specifically mentioned. It provides that the trade commission bill shall be first considered in the Committee of the Whole House on the state of the Union, that there shall be not exceeding six hours of general debate, to be equally divided between those favoring and those opposing the bill, the time to be controlled one half by the gentleman from Georgia [Mr. ADAMSON] and the other half by the gentleman from Oregon [Mr. LAFFERTY], who was the minority member of the Committee on Interstate and Foreign Commerce making a minority report in opposition to the bill. At the conclusion of the general debate the bill will be read for amendment in the usual way under the five-minute rule and perfected in the Committee of the Whole House on the state of the Union, and will then be laid aside with such recommendations as the committee shall make concerning it.

Following that, the bill H. R. 15657, supplementing existing law against unlawful restraints and monopolies, will be taken up for consideration. On that there are 16 hours of general debate, to be equally divided between those favoring and those opposing, one half of the time to be controlled by the gentleman from Alabama [Mr. CLAYTON], the chairman of the committee, and the other half by the gentleman from Minnesota [Mr. VOLSTEAD], the ranking member on the Republican side. At the conclusion of that this bill also is to be read for amendment, with no limitation upon amendment, and after being perfected it will be laid aside with such recommendation as the committee may make.

Mr. GARNER and Mr. GARDNER rose.

The SPEAKER. To whom does the gentleman from Tennessee yield?

Mr. GARRETT of Tennessee. I will first yield to the gentleman from Massachusetts [Mr. GARDNER].

Mr. GARDNER. This bill is the Clayton antitrust bill, is it not?

Mr. GARRETT of Tennessee. It is.

Mr. GARDNER. And is at present on the House Calendar and not on the Union Calendar?

Mr. GARRETT of Tennessee It is.

Mr. GARDNER. And if it were not for this proposed special rule any amendments which might be offered to that bill would be subject to a yea-and-nay vote, would they not?

Mr. GARRETT of Tennessee. Probably.

Mr. GARDNER. Certainly. Would they not be considered in the House?

Mr. GARRETT of Tennessee. Under the general rules of the House; yes.

Mr. GARDNER. Under the general rules; yes. But by this special rule as drawn you have arranged it so that the amendments to that Clayton antitrust bill will not be voted on by a yea-and-nay vote unless they are lumped together with other things in one single motion to recommit. Is that correct?

Mr. GARRETT of Tennessee. That is one effect of it.

Mr. GARNER. Provided, of course, the amendments are not adopted in the Committee of the Whole, but adopted by the House.

Mr. GARDNER. The gentleman said amendments that were adopted. Of course any amendment reported back to the House would be voted on in the House.

Mr. GARNER. What is the object of laying these bills aside when perfected and retaining them until they must be voted on at one time after general debate and perfection of each bill?

Mr. GARRETT of Tennessee. It is a part of the program to carry them through as rapidly as possible.

Mr. GARNER. Then why not send the bills to the Senate as fast as we can perfect them. For instance, when the first bill is disposed of why not send it to the Senate and thereby hasten final legislation on it and adjournment of the Congress?

Mr. GARRETT of Tennessee. The only answer that I can make to the gentleman from Texas touching that is that that question was submitted in committee, and after very full consideration it was determined by a majority of the committee that this plan would be better in expediting public business.

Mr. BARTLETT. May I ask the gentleman a question?

Mr. GARRETT of Tennessee. Certainly.

Mr. BARTLETT. If the plan suggested by the gentleman from Texas [Mr. HENRY] is adopted, is it probable that we could get through and adjourn quicker if we do not permit the Senate to consider them until all three are considered? The object of this program, as I understand it, is to finish this program as quickly as possible and adjourn. Is it not a fact that if we take two days to pass this trade-commission bill and a week to pass the trust bill, and another week to pass the other bill, that it would then be two or three weeks or four weeks before the Senate could begin the consideration of any one of these bills?

Mr. MADDEN. Of course, if they wait two or three weeks before getting the bills they will expedite the matters a good deal more. Is not that it?

Mr. GARRETT of Tennessee. Of course it is a matter of judgment.

Mr. BARTLETT. Is not the gentleman's judgment that the other plan would expedite the consideration of these bills in the other body, where they must be considered before they become a law? I will ask the gentleman's judgment upon it.

Mr. STAFFORD. Mr. Speaker——

Mr. GARRETT of Tennessee. The gentleman's judgment—oh, well, perhaps my individual judgment is not important. I yield to the gentleman from Wisconsin [Mr. STAFFORD].

Mr. STAFFORD. So that the House may have a clear understanding of this provision of continuing in recess from 5.30 p. m. until 8 p. m., when the House is considering these bills under general debate, I would like to ask whether if general debate is not concluded at 5.30 and runs over after 8 o'clock, and is concluded at some time between 8 and 11 p. m., whether then the House of its own force will adjourn or take up the consideration under the five-minute rule until the hour of adjournment? For instance, you begin the consideration of the first bill at about 3 o'clock. There will be two or three hours of general debate this afternoon and two hours and a half this evening, and maybe more, but before 11 o'clock comes the general debate will have been concluded. What is the purpose then—to adjourn pro forma, or will we immediately proceed to the consideration under the five-minute rule?

Mr. GARRETT of Tennessee. I will say to the gentleman that I think that will rest with the Committee of the Whole. The only purpose that the Committee on Rules had in mind in connection with that was to insure a night session, in so far as it could, for general debate.

Mr. STAFFORD. Does the gentleman believe that we should give these weighty and important bills consideration under the five-minute rule in the evening session? I take it that the purpose of the committee was only to provide means in the evening sessions for general debate, and when the time for general debate expires in the evening the committee would rise until the following morning at 11 o'clock.

Mr. GARRETT of Tennessee. The rule says the committee shall sit not later than 11 p. m. On the question of whether or not they shall consider these weighty bills at the night session under the five-minute rule, it will depend on the feeling and wish of the House or the Committee of the Whole.

Mr. STAFFORD. What is the construction of the rule? It will bear one construction, namely, that only general debate will be considered at the evening session. The House ought to know, so that it will know what it is consenting to when it votes to consider these bills from 11 o'clock in the morning until 5.30 in the afternoon, and then from 8 o'clock in the evening until 11 o'clock at night. That would be a very exhaustive service.

Mr. GARRETT of Tennessee. So far as the rule is concerned it only provides for evening sessions during the general debate.

Mr. GARNER. It is very important that the gentleman's construction of this rule should be thoroughly understood, because the question might come up in the Committee of the Whole at the night session, if a point of order was made that you could not consider the amendments under the five-minute rule at that hour, because this is provided only for general debate. As I understand, the proceedings of the Committee of the Whole are to be confined to general debate at the night session. That is a matter that will come up in Committee of the Whole very likely if a point of order is made against it.

Mr. GARRETT of Tennessee. The only compulsory thing as to evening sessions is that if a quorum is present during general debate it shall sit until 11 o'clock at night. If there should not be a quorum present, of course the committee would have to rise. But it does not prevent the Committee of the Whole from considering the bills under the five-minute rule if it chooses to do so.

Mr. STAFFORD. At the evening session?

Mr. GARRETT of Tennessee. At the evening session.

Mr. GARNER. It is well that that should be understood.

Mr. MANN. If the general debate should be concluded in the afternoon on one of these bills, there would be no evening session that night? Is not the rule clear about that?

Mr. GARRETT of Tennessee. Undoubtedly. Of course, the House itself could fix the time. But so far as the rule is concerned, the rule itself would not compel an evening session except for purposes of general debate.

Mr. GARNER. That is the point; that is all right.

The SPEAKER pro tempore (Mr. HOUSTON). The time of the gentleman has expired.

Mr. HENRY. Mr. Speaker, I ask that the gentleman from Kansas [Mr. CAMPBELL] use some of his time.

The SPEAKER pro tempore. The gentleman from Kansas [Mr. CAMPBELL] is recognized.

Mr. CAMPBELL. Mr. Speaker, this rule is another evidence of the desperate political situation in which this administration and the Democratic Party now find themselves.

You are legislating now by special rule. This resolution makes in order under one rule three of the "five brothers." Of course, everybody knows that neither one of these bills will become a law during this session of Congress. That is the announced policy, well understood at both ends of the Capitol and quite as well understood at the other end of Pennsylvania Avenue. But for some reason it is insisted that all these bills shall be made in order in one rule and rushed through the House. Is some one trying to save his face or make pretense before the country that something of importance is being transacted? A few days ago you did not think your condition so desperate, and only made two separate bills in order in one rule.

But the manner in which you do business, while bad, is not as bad as the result of the business you do. You have been in power now 1 year 2 months and 15 days, and your record reads like an obituary.

You have paralyzed and prostrated industries of every kind; you have reduced wages and the employment of labor; you have made business and enterprise of every kind uncertain and hazardous; you have reduced the value of the industrial and transportation properties of the country over $10,000,000,000; you have cut the value of farm property one-fourth. Men engaged in the productive enterprises of our own country stand idle while others engaged in similar enterprises in foreign countries are supplying our market. The farmers find the products of other countries in the market which they have supplied during the entire period of our country's history. It would be impossible to exaggerate the demoralized conditions into which you have thrown our domestic affairs.

Our condition at home is discouraging and depressing to laboring men and business men in every section of our country.

Mr. MADDEN. Mr. Speaker, will the gentleman yield to me for a question?

The SPEAKER pro tempore. Does the gentleman yield?

Mr. CAMPBELL. I regret I can not yield now. Conditions at home are bad, but you have humiliated and made us ridiculous in the face of the world by your foreign policy—or, perhaps, I should say by your want of a foreign policy.

You are surrendering our right to control our own affairs in Panama to England and other nations that may claim any rights there. You are giving to Colombia greater rights in the use of the Panama Canal than you assert for the people of our own country, and giving that country $25,000,000 as a gratuity, and besides making an abject apology for taking the steps that made the construction of the canal possible.

Overnight you plunged the country into a war with Victoriano Huerta, an unrecognized assassin in Mexico, on a matter of mere punctilio, because of the difference in the offer of a salute of 5 guns and the demand of a salute of 21.

Oh, of course, you as individuals are not less concerned about the common welfare than those who disagree with you in politics. You are not less patriotic than others. You are simply incompetent to manage the affairs of a Nation so great as ours.

Your policies, while attractive in theory, can not be made to work out in practice.

There has not been such a deplorable condition in our country since you were in full power 16 years ago.

You may adopt this rule, make these three bills in order, and pass them through the House, and it is safe to say that they will aggravate rather than relieve the conditions in which your other acts have placed us.

There is not as much big business to assail as there was when you began. If you keep on there will be none to complain of.

Then, too, this rule also enables you further to repudiate the Baltimore platform. It enables you to surrender State government of local industries to Federal control. There is now nothing in the political world so obsolete as the Baltimore platform. It promised to speed business; you have retarded it. It promised to increase employment and wages; you have diminished both. It promised to increase exports; you have reduced them. It promised to increase revenues; you have reduced a surplus to a deficit. It promised to make living better and cheaper; you have done neither.

No doubt these are some of the reasons why you are rejecting and repudiating your platform.

But the lamentable and discouraging situation that confronts the country to-day is the fact that there yet remains two years nine months and fifteen days before the people can rid them-

selves of the latest exhibition of Democratic incompetency in the management of our Government. It seems a long time.

However, the people will give you the customary two years' notice to move on the third day of November next, by electing a Republican House of Representatives. [Applause on the Republican side.]

The trouble is your policies are wrong, and incidentally you just do not know how to run the country. [Applause on the Republican side.] Nobody knows better than you do that what I am saying is true. Why, the manner in which you are attempting to shape up your affairs to present to your constituents when you go home would be amusing if it was not so pathetic. You can not explain it to them. You gentlemen who assailed President Taft for surrendering to Canada in the reciprocity treaty will have some difficulty in explaining to your farmer constituents when you go home why it was that you surrendered to Canada everything that was given by reciprocity and more and got nothing in return. It is now stated by shrewd Canadian statesmen that they engineered the repudiation of Canadian reciprocity for the sole purpose of getting a better deal out of you when you came into power. They got it, and that is but another evidence of your incapacity and incompetency to manage the affairs of the Nation. [Applause on the Republican side.]

Mr. Speaker, how much time have I consumed?

The SPEAKER pro tempore. The gentleman has consumed 17 minutes.

Mr. CAMPBELL. I reserve the remainder of my time.

Mr. HENRY. Mr. Speaker, I will ask the gentleman to consume the balance of his time, as there will be only one more speech on this side.

Mr. CAMPBELL. Then I yield 10 minutes to the gentleman from New York [Mr. PAYNE]. [Applause on the Republican side.]

Mr. PAYNE. Mr. Speaker, I beg the pardon of the House for reading a short extract from a publication issued a couple of years ago, which a large number of those who voted for it seem to be ignoring entirely, and it looks as though the whole party would like to see the thing sent to the everlasting "demnition bow-wows." Of course, everybody recognizes that I am speaking of the Baltimore platform—molasses to catch flies. When you were patting yourselves upon the back as to what you had done in the last Congress you said:

It—

Referring to the House—

has, among other achievements, revised the rules of the House of Representatives so as to give the Representatives of the American people freedom of speech and of action in advocating, proposing, and perfecting remedial justice.

You have forgotten all about that.

Mr. SLOAN. No; but they would like to.

Mr. PAYNE. You have been bringing in rule after rule here for the purpose of curtailing the freedom of action of the House and of the Members of the House, and cutting down debate. You have transferred your deliberations to the caucus room and the committee-room building, and to the executive chamber, and you have no freedom of action in the House. Whenever you want to bring up a measure that you deem important, you call a caucus and get the gentlemen together upon the subject, if possible, and when you get in there you tell them a certain gentleman at the other end of the Avenue wants this and does not want that, and that seems to go with the caucus. [Applause on the Republican side.]

Why, the last bill you had here of a general character was a bill having more importance in the future and for years to come perhaps than any other bill you will consider. That was the bill to repeal the tolls exemption; and not merely that, but to give up to foreign nations our control of a property that cost $400,000,000, a property that will have more influence on the future commerce of the world than any other great property ever owned by any nation. And when you came in with a rule for the consideration of that bill, it provided that there should not be any amendment to the immortal Sims bill; and the gentleman from Georgia [Mr. ADAMSON] said, "Why, it is so good a bill, so well drawn, that it can not be amended." So we were left without any privilege of amending that bill here in the House. It has gone over to another place where they do deliberate; and in these latter days I thank God that there is a legislative body in the United States that does deliberate and consider, and they propose to amend that bill to try to save the cowardly surrender of this canal to foreign powers by your administration and by yourselves. [Applause on the Republican side.]

The other day the gentleman from Alabama [Mr. UNDERWOOD]—I am sorry to say I do not see him in his seat—on the 14th of this month used this significant language in debate on this floor:

The people of the United States are not clamoring so much for legislation to-day as they are for an opportunity to do business. (CONGRESSIONAL RECORD of May 14, p. 9345.)

The people of the United States have had enough of your kind of legislation. I am glad the gentleman from Alabama realizes it. Why, I have been advising some of you gentlemen individually what you had better do for the good of the Democratic Party, and especially for the good of the country—that is, to pass the appropriation bills and adjourn, and go home without doing any further injury—and I find that the most of you agree with me personally; and I have understood from the newspapers that the members of these committees who have reported these bills would not have brought them in here to-day and asked for a vote on them except for the orders that came from the other end of the Avenue. According to the telegrams in the papers of last Saturday, our optimistic President seems to have caught the fever from the Secretary of Commerce, as published in the Associated Press reports, that we were on the eve of the greatest revival of business the world has ever seen. We have been on that eve now ever since the 3d day of October. Our worthy Speaker prophesied it due in December. The Secretary of State, a little more careful, said he saw the rainbow of promise of prosperity in the sky along in January. Latterly you have fallen back upon the prediction of the Secretary of Agriculture, that we are going to have a bumper crop in this country that will make everybody rich and happy, and that, too, before half the crop is sown in the United States. [Laughter.] Half of the area in the United States to-day is not planted because of the prevailing rain and moisture. But you are going to have a magnificent crop.

Now, you are young in these matters. If you stop to think, when you have bumper crops prices are lower and the farmers do not have any more money to spend. That is not going to help you out.

You were going to increase the foreign trade under the Underwood tariff bill, because you said you can not hope to sell unless we buy. I had something to do with the tariff bill that has been berated for four years, up to the time my friend UNDERWOOD came along with his bill, amended from the White House. Since then it has been different; my bill has become popular. Under it we made the greatest progress in the markets of the world ever made by any people. [Applause on the Republican sire.] It is so marvelous that the Secretary of Commerce can not help talking about it.

I am anxious for you to do better. I want you to improve on what you have done. The very best you can do is to adjourn. You have done enough already, God knows, to throw you into oblivion the first time that the people can get at you; but I want to save what little you have left for the people of the United States.

What kind of a record have you made in the markets of the world? I have the statistics here, the last one for April from the Secretary of Commerce, who gives out the statistics for publication month by month, and what is the record? Why, ever since you put that bill on the statute books eight months ago your exports have been decreasing month by month in geometrical ratio.

The balance of trade was against us under the Walker tariff and the tariffs that followed. It was against us under the first Wilson bill, while under all Republican tariffs it has been in our favor. It was so during every month of the law of 1909. The annual exports exceeded the imports by hundreds of millions. We were getting European gold to settle the balance. But never was there such a tremendous export of manufactured articles from any country as from ours under the last Republican tariff.

Your bill has been in operation since October 3, 1913. Here are the figures showing the balance of trade for the seven full months up to the 1st of May, as compared with the corresponding months of the previous year.

Monthly excess of exports.

	Fiscal year 1913 (Payne law).	Fiscal year 1914 (Underwood law).
October	$76,645,000	$138,976,000
November	127,000,000	97,000,000
December	96,000,000	49,000,000
January	64,000,000	10,000,000
February	44,000,000	26,000,000
March	32,000,000	5,000,000
April	53,600,000	[1] 10,271,372

[1] Excess of imports

Your tariff was not in full operation in October and the balance of trade was $139,000,000. This dwindled to $5,000,000 in March, and was wiped out in April, with a balance of over $10,000,000 against us.

You ought, in view of your record, to let up on the American people and give them a rest. Do not put the antitrust laws into litigation for another 10 years. Enforce them as they are.

Mr. CAMPBELL. Mr. Chairman, I yield five minutes to the gentleman from Massachusetts [Mr. GARDNER].

Mr. GARDNER. Mr. Chairman, when we were in power, many a time have I heard the Democratic side of the House criticize us for our special rules. We never did anything so improper as that which the Democratic members of the Rules Committee propose. They have taken this Clayton antitrust bill from its place on the House Calendar, where there would be a yea-and-nay vote on each one of the labor amendments, and they propose to tuck it away in the Committee of the Whole House, where there can not be a record vote. Instead of being exposed to the cold, cold hillside of a yea-and-nay vote, Members are to be cloistered in the careful seclusion of the Committee of the Whole House on the state of the Union, where the exasperating record vote is unknown.

Now, Mr. Speaker, it is not as if the Clayton antitrust bill were really a Union Calendar bill. It is not a Union Calendar bill. It is a House Calendar bill. It is now on the House Calendar, and that means that Members could demand a yea-and-nay vote on every amendment if it were not for the reprehensible way in which this proposed special rule is drawn.

To be sure, the Covington and the Rayburn bills are properly on the Union Calendar, but this Clayton antitrust bill has been deliberately taken from its position, where it would be subject to a yea-and-nay vote, and has been tucked away into Committee of the Whole, where no record vote can be had on these amendments or on any others.

Now, Mr. Speaker, I am not going to conceal my position. I propose to vote against the amendment which declares that antitrust laws shall not apply to labor unions and to certain other organizations, and I intend to vote in favor of the other amendment proposed by labor. I mean to vote for the amendment which proposes to make lawful certain actions against which the issuance of injunctions is forbidden by this bill. If the House votes down the previous question on this rule, I shall propose an amendment providing that the Clayton antitrust bill shall be considered in the House as in Committee of the Whole. Then we shall have yea-and-nay votes whenever necessary.

Mr. GARRETT of Tennessee. Will the gentleman yield? The gentleman from Massachusetts does not have any doubt but that there will be a record vote on that proposition?

Mr. GARDNER. I have very great doubt on the subject: whether the amendments are adopted or rejected. There is only one motion to recommit provided, and on that motion the Speaker must accord recognition to some gentleman who says that he is opposed to the bill. The gentleman who is opposed to the bill may move to recommit with a very different proposition than either one of these labor amendments.

Now, a motion to recommit can comprise both of these amendments, or it may comprise half a dozen other things; but there can be only one motion to recommit. The chances are that, under the rules, recognition will be accorded to somebody who will make a motion to recommit, which will not comprise either of these labor propositions. If that proves to be the case there will be no yea-and-nay vote on either of them, whether they are adopted or rejected in Committee of the Whole.

Mr. Speaker, I yield back the balance of my time.

Mr. CAMPBELL. Mr. Speaker, how much time have I remaining?

The SPEAKER pro tempore. The gentleman has five minutes.

Mr. CAMPBELL. Mr. Speaker, I yield five minutes to the gentleman from Illinois, Mr. Mann. [Applause on the Republican side.]

Mr. MANN. Mr. Speaker, I have two especial criticisms to make of this rule There are others. First, we are passing a rule in order to consider these bills speedily, so that they may be sent over to the Senate at an early date. Then, why do we not vote on each bill in the House and pass it as we finish it in Committee of the Whole? Can anybody tell me that? We take up the interstate trades commission bill, finish it in the Committee of the Whole, and lay it aside. Why do we not pass it then, or vote on it in the House? We take up the Clayton antitrust bill, consider it in Committee of the Whole, and lay it aside. Why do we not vote on it then, if we want to hasten action in the Senate, and send it over to the Senate? But under this rule we wait until we are through with all the bills before we vote upon any of them in the House. Can any distinguished Democrat tell me why? I will be very glad to have the gentleman from Texas [Mr. HENRY] tell why, when we are in a hurry to pass the bills, we delay final action upon them. It would not take any longer to pass these bills in the House at the time we have considered and reported each to the House than it will when they are all reported back in a bunch, because it will take a separate roll call, if one is asked, on each bill, and there may be a motion to recommit on each bill. It is one of those curiosities of legislative performance which emanates from some unknown source. I suppose they had the orders from the White House. They dare not pass these bills one ahead of the other. In the end one must be voted upon in the House ahead of the other, but if we are in a hurry, when we get through with the interstate trade commission bill in the committee, why not report that bill back to the House and dispose of it at once?

Mr. LEVY. Mr. Speaker, will my colleague allow me to——

Mr. MANN. No; I do not believe the gentleman represents his side of the House, or I should. I have not the time anyway. There is no one else on the gentleman's side of the House who is in accord with the gentleman from New York.

Mr. LEVY. The people are. [Laughter.]

Mr. MANN. The people are in accord with the gentleman from New York on one thing, and that is that the people believe, like he, that the Democrats are not capable of running the Government.

Mr. LEVY. Oh, no; I am a Democrat.

Mr. MANN. I do not yield further. I have one other criticism, Mr. Speaker, and that is the same one made by the gentleman from Massachusetts [Mr. GARDNER].

Mr. GARDNER. Mr. Speaker, will the gentleman yield to me for a moment?

Mr. MANN. I have not the time.

Mr. GARDNER. I meant to say that we had talked this over beforehand.

Mr. MANN. Oh, that is unnecessary. The gentleman from Massachusetts is watching everything in respect to the rules and legislation and parliamentary law as closely as any man who ever came into the House.

Mr. Speaker, there are two classes of public bills in this House, one that goes to the Union Calendar and one that goes to the House Calendar. Union Calendar bills are perfected in Committee of the Whole House on the state of the Union, where amendments are offered in committee and no roll call can be had upon them. House Calendar bills are perfected in the House, sitting as the House. Where an amendment is offered to a House Calendar bill, a roll call can be had upon it. The Clayton antitrust bill is a House Calendar bill. In this bill, as reported from the committee, there is a committee substitute, or one amendment for all of the provisions of the bill, and when the bill is reported back to the House it will be as a committee substitute, which is one amendment. There can be no separate vote when this bill is reported back to the House on any amendment which is offered to amend the committee amendment. It will be reported back as one amendment. The bill contains this provision:

> That nothing contained in the antitrust laws shall be construed to forbid the existence and operation of fraternal, labor, consumers', agricultural, or horticultural organizations—

And so forth.

Some gentlemen desire to change that to provide that nothing contained in the antitrust laws shall apply to these organizations.

If that amendment was acted upon under the ordinary rules of the House on a House bill, gentlemen for or against the amendment could have a roll call on the amendment, but under this peculiar rule, the first of the kind that has ever been brought into the House in the history of the House, to consider a House Calendar bill in Committee of the Whole House, you can offer 40 amendments, vote them up or down, and there will be no chance for a roll call upon any one of them, and there is no opportunity for a roll call upon this proposition or any similar proposition. You on the Democratic side of the House will escape being placed personally on record on each of these amendments, but the country and the people who are interested will hold you responsible, because you have violated the rules of the House, because you are afraid personally to record yourselves on this amendment. [Applause on the Republican side.] And it is pure cowardice of which you are guilty. You have changed the rules which authorize a record vote in order to escape a record vote. There is one thing I thank myself for. I think I am not a coward. [Applause on Republican side.]

Mr. HENRY. Mr. Speaker, I believe I have 25 minutes remaining?

The SPEAKER pro tempore. Yes.

Mr. ADAMSON. Mr. Speaker, before the gentleman begins his argument, I will ask him to yield to me for a moment.

Mr. HENRY. Very well.

Mr. ADAMSON. Mr. Speaker, the gentleman from Oregon [Mr. LAFFERTY] mentioned in the rule as entitled to control the time on the other side is absent. I consulted gentlemen on the other side, both members of the Progressive Party and members of the Republican Party, and I find that they can agree over there, and they are all willing to trust the gentleman from Minnesota [Mr. STEVENS]. I ask the gentleman from Texas to obtain unanimous consent to substitute the gentleman from Minnesota [Mr. STEVENS] for the gentleman from Oregon [Mr. LAFFERTY].

Mr. HENRY. There will be no objection to that later on. I hope this will not be taken out of my time.

Mr. MANN. Oh, no; Mr. Speaker, there seems to have been a misunderstanding on this side. It was understood by the gentleman from Kansas [Mr. MURDOCK] that he was to have five minutes. In some way, through a misunderstanding, his colleague is not able to yield it to him. I ask unanimous consent that the gentleman from Kansas may have five minutes.

Mr. HENRY. Mr. Speaker, I will yield the gentleman five minutes myself.

Mr. MANN. We all thank the gentleman for his courtesy.

Mr. MURDOCK. Mr. Speaker, I particularly thank the gentleman from Texas.

The SPEAKER pro tempore. The gentleman from Kansas is recognized for five minutes.

Mr. MURDOCK. Mr. Speaker, I do not believe there is a man here who will ever face on domestic legislation a graver moment than this. This is the beginning of another attempt on the part of the Government to handle the trust proposition.

The matter should have come in early in the session; it has come in at the end of the session, and, as was to be expected in a matter of this kind, another special rule has been invoked. The rule is carefully guarded. So far as the provision for general debate is concerned I think it is liberal, but great care is taken to give only one motion to recommit on each of the bills and no opportunity is afforded the membership of the House to have any separate vote upon the amendments in the bill itself. Now there are three political parties in the House, and those three parties have distinct programs. The Democrats have come forward with the administration measures. The Republicans, as usual, are not in accord in their views. The Republican members of the committee disagree in their reports.

The Progressives do have a constructive plan for trust legislation drawn with great care and put forward with great enthusiasm and sincerity. Under this special rule one or the other of the two minority parties is going to be shut out from the right to offer a motion to recommit. That is not right. There ought to be in this rule a provision for two motions to recommit, and the House ought have the right to vote upon separate amendments. Now, I said in the beginning this is a grave moment in the Congress. Twenty-two years ago I was a reporter in Chicago, and my paper sent me down to Ohio to report the first great suit that was brought against the Standard Oil Trust, and a high court solemnly and by final decree at that time dissolved the Standard Oil Trust, and I remember distinctly writing the heading upon my newspaper article 22 years ago to the effect that the Standard Oil Co. had been dissolved. What a record of delay, denial of popular demand, and legal helplessness has transpired since. Futility in the highest court of the land ruling one way in the Knight case and another way in the Northern Securities case. Futility in the Congress of the United States. In the Fiftieth Congress the Committee on the Judiciary in this body reported that there was one further amendment necessary to the Sherman antitrust law to cover the interpretation of the Supreme Court of the United States in the Knight case, a correction that the Supreme Court has since made itself. Futility in the administrative bodies of this Government. Inaction upon the part of prosecutors of the Government, and now, after 24 years, almost a quarter of a century of confessed helplessness on the part of this great Government, we are about to take another step. I am sorry that it is a random step and will be, in my opinion, a futile step. I am sorry that the Covington bill is weak, purely investigative in its powers, born a cripple. I am sorry the Clayton bill persists in the attempt to make this country travel again the old, profitless circle which follows writing rigid inhibition against big business, honest and otherwise, into law and leaving it to the long-lingering delay which waits upon the interpretations of the courts. I think this is a time when we ought to pause and give ear to the significant events of the hour. What fantastic films the morning newspapers reveal before the eyes of the country. Rockefeller, over at Tarrytown, N. Y., installing a system of electric lights that he may keep, by touching a button at his bedside, his eight guards who surround the house awake through the hours of the night. The testimony in Denver yesterday, where witnesses stated before the board of inquiry that in Troop A, which looted the tents of the striking miners at Ludlow after they had shot the miners down and killed 11 women and children, there were only 8 members who were not either mine guards or mine employees. Constitutional government in Colorado has broken down. The man who has been the beneficiary of our delay, of our careless, futile, trust legislation, passed at random——

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. MURDOCK. Sits in his palace upon the Hudson, insecure, fearful that the law will not protect him, and the men out in Colorado who are his victims know that it does not protect them.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. HENRY. Mr. Speaker, the ceremony seems to be a solemn occasion for gentlemen on that side of the House. I was surprised at the remarks of the gentleman from Kansas [Mr. CAMPBELL]. He ranged all over the legislative domain and really discussed nothing in particular. The gentleman asked why we vote on these bills at the same time. Let me tell the House why we are doing it. There are two good and sufficient reasons why we have pursued that course. In the first place, if we vote upon them at three separate times, the Members would have to be here and be on notice that there were three separate votes. As it is, when we have completed a bill, we lay it aside with whatever recommendation the committee makes, and then we take up the next bill and pursue the same course, and then the remaining bill, and at the end of that time vote on all the bills in accordance with the order in which they are enumerated in the special rule. Is there anything queer or anything wrong about a rule of that sort? The objection made by the gentleman from Illinois [Mr. MANN] is an absurdity on that point. Now, another good reason that appealed to some of us was this: We did not care to have one of these bills passed ahead of the others and sent over to the Senate while the antitrust bill was delayed here and perhaps a lot of provisions be incorporated in the trade-commission bill by the Senate, looking to the creation of a commission to investigate interlocking directorates, holding companies, dummy directorates, and things of that sort, so as to postpone the whole antitrust program. We intend to face the questions as they are presented here and to vote upon all of them. Why, the gentleman from Kansas [Mr. CAMPBELL] says we are hurrying these bills through. He must understand that his remark is not justifiable. We have allowed all the time asked on either side of this House for general debate, and then after the general debate is exhausted we take the bills up separately under the five-minute rule and allow unlimited debate and amendment. Gentlemen may proceed, if it takes a week or two weeks, to finish either one of the bills under the five-minute rule.

So this is one of the most liberal rules that has ever been brought into this House.

Next, the gentleman from New York, the Nestor of the House, the distinguished gentleman, Mr. PAYNE, offers a little free advice to the Democratic Party. Let me remind him and his side of the House that he is a very poor adviser, indeed, because he advised his party to vote for the Payne-Aldrich bill, and the Republican Party went upon the rocks in less than six months after its passage. [Applause on the Democratic side.] We do not need his advice, nor do we care for it. And it was, indeed, a pitiable sight to see the gentleman drag before this House and the world the corpse of the old Payne-Aldrich bill that would have been forgotten long ago if it had not been for the oppression and suffering heaped upon the people by the provisions of that infamous measure. [Applause on the Democratic side.]

The gentleman from Massachusetts [Mr. GARDNER] says, too, that we have taken a bill from the House Calendar and put it upon the Union Calendar, and that we have done it in order to prevent a record vote on certain amendments. Let me warn the gentleman that until he becomes more friendly to the labor organizations of this country we can not profit by any advice from him. Now, Mr. Speaker, let me serve notice on him that when the antitrust bill bearing the name of the distinguished gentleman from Alabama [Mr. CLAYTON] is up for consideration under the five-minute rule it will be in order to offer amendments without limit and to freely debate them. And let me further advise him that there will be an amendment in plain and clear-cut English language exempting directly and specifi-

cally labor organizations and farmers' organizations from the provisions of the antitrust law. We have the votes to put it on in the Committee of the Whole and in the House of Representatives as well. So he need not be alarmed. I am squarely for this Samuel Gompers amendment.

He need not be distressed about this matter. Every Member's vote will be understood in the Committee of the Whole and in the House after the bill is reported there, and he will find that there will be no friend of labor lagging on this side of the House, and we will again write into the law, as we have done several times heretofore, a provision exempting those organizations from the provisions of the antitrust law, as intended when it was passed in 1890.

Mr. GARDNER. Will the gentleman yield now?

Mr. HENRY. For a question.

Mr. GARDNER. At what point will there be a yea-and-nay vote on that "apply to" amendment, whether it is adopted or defeated?

Mr. HENRY. Of course there will be a vote in the House on the motion to recommit. The gentleman knows that.

Mr. GARDNER. But suppose some gentleman claims the floor and says he is opposed to the bill. The right to recommit rests with him. Suppose he does not include that amendment in his motion to recommit?

Mr. HENRY. You need not be uneasy. We are not going to let that happen.

Mr. GARDNER. You can not help it.

Mr. HENRY. We can help it and we will help it. We are going to put it on in the committee.

Mr. GARDNER. I shall vote against the "apply to" amendment in the committee, as I have already said. You can not get a yea-and-nay vote on it in the House, because it is an amendment to the amendment.

Mr. HENRY. The gentleman knows we can find a plain way to get it on.

Mr. GARDNER. You can not if you adopt it in the committee.

Mr. HENRY. If you are so solicitous about this, you ought to get on the side of these gentlemen and help them put the amendment on. You need not presuppose the Democrats are cowards on this question. And I do not suppose the Members on that side are cowards, because I expect most of you to vote against labor, as you have done heretofore. For more than 20 years the labor organizations of this country stood before the door of this House and before the Speaker's room and urged the passage of such legislation as contained in the Clayton antitrust measure. You and your party spurned their request. You denied them the right to be heard on the floor of this House. But no sooner had the Democracy gone into power in the House of Representatives than we passed those bills which had been suppressed by the distinguished former Speaker, Mr. Cannon, and his official régime that advised and cooperated with him on these matters. They are in this bill, and they are going to remain there, and we are going to vote for them, and intend to give to the labor organizations and the people of this country the laws they have been clamoring for during nearly a quarter of a century. And the program is going through the Senate, and the bills will go to the President, and the Executive that the Democratic voters of this country put in power will give relief to the people. The gentleman from Kansas [Mr. CAMPBELL] may question the sincerity of the President by innuendo and make unjust charges against him, yet I tell him that the American people believe in Woodrow Wilson and know that he is honest and on their side. [Loud applause.]

Mr. MADDEN. Will the gentleman yield?

Mr. HENRY. I yield for a question.

Mr. MADDEN. The gentleman says the program will go through the House, and he seems to be able to speak for the Senate, and now I want to ask him if the President will sign this antitrust bill with that provision for labor in as he describes?

Mr. HENRY. The gentleman knows I have no brief to speak for the President. I am nobody's spokesman here. I am speaking for myself on this occasion, and saying what I believe; and I repeat that all three of these measures will be given to the country which your party deliberately suppressed for many years. We ask the country to test our good faith, and they will find that the Democratic Party has not forsaken them. Ah, gentlemen may prate about these things, but they know that the measures are for the relief of the people, and if they need amendment, come along and help us amend them, aid in making them better. Let me warn you now that if the Republican Party, the stand-pat party, goes back to its idols, the special-privilege class of this country, there will not be enough of you left after the next election to justify calling the roll in the House.

Mr. MANN. Will the gentleman yield for a question?

Mr. HENRY. Yes.

Mr. MANN. The gentleman says that the bill needs amendment. Does the gentleman think the Clayton antitrust bill does need amendment on the matter that relates to the exemption of labor and farmers' organizations?

Mr. HENRY. Yes; I do. I think it needs amendment, and I shall vote and do everything I can to amend it.

Mr. MANN. Then all the gentlemen on that side are not in accord with the gentleman?

Mr. HENRY. I do not know, but we will take care of it. The gentleman from Illinois need not worry. How does he stand on the question?

Mr. MANN. I am not worrying.

Mr. HENRY. Where do you stand?

Mr. MANN. I am in favor of having a roll call on it.

Mr. HENRY. Are you for this amendment?

Mr. MANN. And when you have a roll call, I will vote. I am not afraid to have a roll call.

Mr. HENRY. How will the gentleman vote in the Committee of the Whole?

Mr. MANN. I do not know whether it will come up in the Committee of the Whole.

Mr. HENRY. How do you stand now?

Mr. MANN. How I stand now will depend very largely upon whether I can make more mischief on your side of the House by voting one way or the other. You are all split up the back, and whatever is done we will do.

Mr. HENRY. And you will not tell where you stand?

Mr. MANN. I will not, until the time comes.

Mr. HENRY. You talk about your courage and bravery, and yet you will not say where you stand on this amendment. [Applause on the Democratic side.]

Mr. MANN. I am quite willing to tell where I stand when it counts. I do not propose to tell the gentleman in advance, because we shall determine on this side of the House what is done with that amendment. You are divided on that side. [Applause on the Republican side.]

Mr. HENRY. No; I will tell the gentleman this——

Mr. MANN. And you are afraid over there to go on record.

Mr. HENRY. You are afraid to tell the people before the election where you stand on this question. The gentleman says he loves to make all "the mischief" he can for the Democratic Party.

Mr. MANN. No; I did not; but I will tell the gentleman that I will do it on this occasion.

Mr. HENRY. Now, let me give the gentleman a little friendly advice, because he and I came into the House together in 1896. Let the gentleman from Illinois quit trying to cause "mischief" to the Democratic Party. Let the gentleman vote for the interests of the people, and stand for the people's cause, and then the gentleman will be better off. [Applause on the Democratic side.]

Now, I like the gentleman from Illinois and dislike to be put to the painful necessity of giving him this advice; and yet I was never more sure of doing him a good service than I am now in asking him to accept my advice. [Laughter and applause.]

Mr. MANN. I shall be sure to be returned if I do not take the advice of the gentleman from Texas. [Laughter.]

Mr. HENRY. If the gentleman had taken my advice since 1897 and followed it, perhaps his party would now be in power, and not the Democratic Party. But we drove you from pillar to post, because you insisted on serving the privileged classes of this country, and your party went down, and it will remain beneath the waves until you get on the people's side. [Applause on the Democratic side.]

Mr. MANN. Until the next election. Then we shall be on top. [Applause on the Republican side.]

Mr. HENRY. That is the trouble with these gentlemen, who say they want to have a show and an opportunity to vote on this amendment in the House. The gentleman will have a chance to vote on it in the Committee of the Whole. He will have a chance to vote on all of these measures, and he will have a chance to improve them, if they ought to be improved. That is not the trouble with the gentleman from Illinois. The trouble with him is that these bills are good, and he does not want them passed at all, and if he had his way he would defeat every one of them. But Democrats will take the responsibility. Democrats in this House are not afraid to face the American people and tell them where we stand on all of these bills. We have come into power promising these things, and we are going

to keep our pledges made to the people. [Applause on the Democratic side.]

Mr. Speaker, this is an important occasion. To-day we are taking up for consideration the most significant political problems pending before this country. These three bills contain some things that will bring greater relief to the people of this country than any measure that has been considered since I have been a Member of this body. It means that hereafter we shall not negotiate with big business violating the law, but will set the limits on big business and tell them how far they shall go. We will pass statutes requiring them to salute the law. We are going forward. We are going to pass the bills, and they will pass the Senate before this summer has passed, and the President will put his approval on them. We will bring prosperity to this country. We shall do the things that ought to have been done 25 years ago, and would have been done if the old stand-pat Republican Party had not prevented it. [Applause on the Democratic side.]

Now, let me admonish my good friend from Kansas [Mr. MURDOCK] to come along with us and quit playing politics, and help us amend these bills and pass them and give them to the voters of this country.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield right there?

The SPEAKER pro tempore. Does the gentleman yield?

Mr. HENRY. Yes; I yield.

Mr. MURDOCK. Of course I will not say the gentleman is playing politics, but I want to ask him a question that is not political.

If the gentleman is not playing politics, why did not the gentleman from Texas, as chairman of the Committee on Rules, give the Progressives here a chance, with their constructive antitrust program, to amend this bill? Why did you cut us out?

Mr. HENRY. You have a chance to amend this bill everywhere.

Mr. MURDOCK. The gentleman has described the state of the Republicans on this side, and he has properly described them. They want to keep the old Sherman antitrust law as it is without supplementary legislation, and some of the Republican members on the committee say so.

Mr. MANN. Let the gentleman speak for himself.

Mr. MURDOCK. We have a constructive program.

Mr. HENRY. Mr. Speaker, I can not yield further.

Mr. MURDOCK. The gentleman has given this Republican crowd a chance to offer a motion to recommit and has shut us out.

The SPEAKER. Does the gentleman yield?

Mr. MURDOCK. He has already yielded.

Mr. HENRY. I decline to yield further.

The SPEAKER. The gentleman declines to yield.

Mr. MURDOCK. He can not cut me out in the middle of a sentence after he has yielded.

Mr. HENRY. If the gentleman has diagnosed the old standpat Republican Party aright, then I say to him come with us and help us put these amendments on.

Mr. MURDOCK. Oh, Mr. Speaker——

Mr. HENRY. The gentleman should sit down. He is taking too much time. I say, let him help us put these amendments on, and we will give the country relief.

And, in conclusion, Mr. Speaker, I move the previous question.

Mr. MADDEN. Why did you not write the bill on the square, so that it would not need any amendment?

The SPEAKER. The gentleman from Texas [Mr. HENRY] moves the previous question. The question is on agreeing to that motion.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. MANN. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER. The yeas and nays are demanded. Those in favor of taking this vote by yeas and nays will rise and stand until they are counted. [After counting.] Forty-seven gentlemen have arisen in the affirmative. The noes will rise and stand until they are counted. [After counting.] Thirty-five gentlemen have arisen in the negative. Forty-seven are a sufficient number, and the yeas and nays are ordered. The Clerk will call the roll. Those in favor of ordering the previous question will answer "yea" when their names are called; those opposed will answer "nay."

The question was taken; and there were—yeas 192, nays 87, answered "present" 5, not voting 150, as follows:

YEAS—192.

Abercrombie	Aswell	Bathrick	Borchers
Adair	Baker	Beakes	Borland
Adamson	Baltz	Beall, Tex.	Bowdle
Alexander	Barkley	Blackmon	Brockson
Allen	Barnhart	Booher	Brown, N. Y.
Brown, W. Va.	Ferris	Kindel	Rouse
Brumbaugh	Fitzhenry	Kinkead, N. J.	Rubey
Buchanan, Tex.	Flood, Va.	Korbly	Rucker
Bulkley	Floyd, Ark.	Lazaro	Russell
Burgess	Foster	Lee, Ga.	Saunders
Burke, Wis.	Fowler	Lever	Sharp
Burnett	Gallagher	Lewis, Md.	Sherwood
Byrnes, S. C.	Gallivan	Lieb	Sims
Byrns, Tenn.	Garner	Linthicum	Small
Candler, Miss.	Garrett, Tenn.	Lloyd	Smith, N. Y.
Cantor	Garrett, Tex.	Lobeck	Sparkman
Cantrill	Gerry	Lonergan	Stedman
Caraway	Gilmore	McAndrews	Stephens, Miss.
Carew	Goeke	McDermott	Stephens, Nebr.
Carlin	Goodwin, Ark.	McGillicuddy	Stephens, Tex.
Carter	Gordon	McKellar	Stone
Church	Gorman	Maguire, Nebr.	Stout
Clancy	Graham, Ill.	Mitchell	Sumners
Claypool	Gray	Montague	Taggart
Cline	Gregg	Morgan, La.	Talbott, Md.
Coady	Hamlin	Morrison	Talcott, N. Y.
Collier	Hammond	Murray, Mass.	Taylor, Ark.
Connelly, Kans.	Hardy	Murray, Okla.	Taylor, N. Y.
Conry	Harris	Neeley, Kans.	Ten Eyck
Covington	Harrison	Neely, W. Va.	Thacher
Cox	Hart	O'Brien	Thomas
Crosser	Hay	Oldfield	Thompson, Okla.
Cullop	Hayden	O'Leary	Tribble
Davenport	Helm	O'Shaunessy	Underwood
Decker	Helvering	Padgett	Vaughan
Dent	Henry	Page, N. C.	Vollmer
Dickinson	Hensley	Park	Walker
Dixon	Hill	Patten, N. Y.	Watkins
Donovan	Hobson	Peters, Mass.	Watson
Doolittle	Holland	Peterson	Weaver
Doremus	Houston	Post	Webb
Doughton	Howard	Pou	Whitacre
Dupré	Hull	Rainey	White
Eagan	Igoe	Raker	Williams
Eagle	Jacoway	Rauch	Wilson, Fla.
Edwards	Johnson, Ky.	Rayburn	Wingo
Evans	Kettner	Reed	Witherspoon
Fergusson	Key, Ohio	Reilly, Wis.	Young, Tex.

NAYS—87.

Anderson	Frear	La Follette	Roberts, Nev.
Bartholdt	French	Lindbergh	Scott
Barton	Gardner	McGuire, Okla.	Sinnott
Bell, Cal.	Graham, Pa.	McKenzie	Sloan
Britten	Green, Iowa	McLaughlin	Smith, Idaho
Bryan	Greene, Mass.	MacDonald	Smith, J. M. C.
Calder	Hamilton, Mich.	Madden	Smith, Minn.
Campbell	Hamilton, N. Y.	Mann	Smith, Saml. W.
Cary	Haugen	Mapes	Stafford
Chandler, N. Y.	Hawley	Mondell	Steenerson
Cooper	Helgesen	Moore	Stephens, Cal.
Cramton	Hinds	Morgan, Okla.	Stevens, Minn.
Curry	Hinebaugh	Murdock	Stevens, N. H.
Danforth	Howell	Nelson	Switzer
Davis	Humphrey, Wash.	Nolan, J. I.	Thomson, Ill.
Dillon	Johnson, Utah	Norton	Towner
Dunn	Johnson, Wash.	Parker	Volstead
Dyer	Kelley, Mich.	Payne	Willis
Esch	Kennedy, Iowa.	Peters, Me.	Woodruff
Falconer	Kennedy, R. I.	Platt	Woods
Fess	Kinkaid, Nebr.	Powers	Young, N. Dak.
Fordney	Knowland, J. R.	Roberts, Mass.	

ANSWERED "PRESENT"—5.

Bartlett	Burke, S. Dak.	Guernsey	Levy
Browning			

NOT VOTING—150.

Aiken	Falson	Kitchin	Ragsdale
Ainey	Farr	Konop	Reilly, Conn.
Ansberry	Fields	Kreider	Riordan
Anthony	Finley	Lafferty	Rogers
Ashbrook	Fitzgerald	Langham	Rothermel
Austin	Francis	Langley	Rupley
Avis	Gard	Lee, Pa.	Sabath
Bailey	George	L'Engle	Scully
Barchfeld	Gillett	Lenroot	Sledomridge
Bell, Ga.	Gittins	Lesher	Sells
Brodbeck	Glass	Lewis, Pa.	Shackleford
Broussard	Godwin, N. C.	Lindquist	Sherley
Browne, Wis.	Goldfogle	Loft	Shreve
Bruckner	Good	Logue	Sisson
Buchanan, Ill.	Goulden	McClellan	Slayden
Burke, Pa.	Greene, Vt.	McCoy	Slemp
Butler	Griest	Mahan	Smith, Md.
Callaway	Griffin	Maher	Smith, Tex.
Carr	Gudger	Manahan	Stanley
Casey	Hamill	Martin	Stringer
Clark, Fla.	Hardwick	Merritt	Sutherland
Clayton	Hayes	Metz	Tavenner
Connolly, Iowa	Heflin	Miller	Taylor, Ala.
Copley	Hoxworth	Moon	Taylor, Colo.
Crisp	Hughes, Ga.	Morin	Temple
Dale	Hughes, W. Va.	Moss, Ind.	Townsend
Deitrick	Hulings	Moss, W. Va.	Treadway
Dershem	Humphreys, Miss.	Mott	Tuttle
Dies	Johnson, S. C.	Oglesby	Underhill
Difenderfer	Jones	O'Hair	Vare
Donohoe	Kahn	Paige, Mass.	Wallin
Dooling	Keating	Palmer	Walsh
Driscoll	Keister	Patton, Pa.	Walters
Drukker	Kelly, Pa.	Phelan	Whaley
Edmonds	Kennedy, Conn.	Plumley	Wilson, N. Y.
Elder	Kent	Porter	Winslow
Estopinal	Kiess, Pa.	Prouty	
Fairchild	Kirkpatrick	Quin	

So the previous question was agreed to.

The Clerk announced the following additional pairs:
Until further notice:
Mr. HARDWICK with Mr. AUSTIN.
Mr. GUDGER with Mr. GUERNSEY.
Mr. UNDERHILL with Mr. MANAHAN.
Mr. GODWIN of North Carolina with Mr. MORIN.
Mr. SISSON with Mr. PLUMLEY.
Mr. REILLY of Connecticut with Mr. MONDELL.
Mr. MOON with Mr. KAHN.
Mr. ESTOPINAL with Mr. DRUKKER.
Mr. AIKEN with Mr. ANTHONY.
Mr. DEITRICK with Mr. LINDQUIST.
On this vote:
Mr. GOLDFOGLE (for previous question) with Mr. WINSLOW (against).
Mr. WHALEY (for previous question) with Mr. ROGERS (against).

Mr. HUGHES of Georgia. Mr. Speaker, I should like to vote.

The SPEAKER. Was the gentleman in the Hall listening when his name should have been called?

Mr. HUGHES of Georgia. No, Mr. Speaker; I was not.

The SPEAKER. The gentleman does not bring himself within the rule.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the resolution.

The resolution was agreed to.

Mr. HENRY. Mr. Speaker, I ask unanimous consent that the name of the gentleman from Minnesota [Mr. STEVENS] be substituted for that of the gentleman from Oregon [Mr. LAFFERTY], in pursuance of a tentative agreement arrived at a little while ago.

The SPEAKER. The gentleman from Texas asks unanimous consent that the name of the gentleman from Minnesota [Mr. STEVENS] be substituted for that of the gentleman from Oregon [Mr. LAFFERTY] to control time in opposition to the bill. Is there objection?

There was no objection.

Mr. HENRY. Mr. Speaker, I ask that the gentleman from Alabama [Mr. CLAYTON] be recognized to make a request.

The SPEAKER. The gentleman from Texas asks unanimous consent that the gentleman from Alabama [Mr. CLAYTON] be recognized to make a request. Is there objection?

There was no objection.

Mr. CLAYTON. Mr. Speaker, under a sense of duty I desire to make a brief statement to the House.

In a few days I shall return to the State of my nativity and there take up duties congenial to me, but in the administration of public justice rather than in the making of laws. I therefore deem it my duty at this time to express my appreciation of the confidence that the Committee on Rules and the House itself has shown in me by designating me to take charge of one of the bills mentioned in the resolution just adopted. But, Mr. Speaker, I can not be here longer, after having been appointed to another honorable position under this great Government that calls for duties in a different sphere. I must choose between these two duties; therefore I respectfully ask the House that my name be stricken from the resolution just adopted and that the name of the distinguished young statesman from North Carolina, Mr. WEBB, be substituted where mine now appears in the resolution.

Mr. Speaker, my heart is too full on this occasion to express the gratitude I feel for the uniform kindness extended to me by the House and the love I have for every Member. Everyone has shown me on all occasions the utmost courtesy and kindness.

If it be true as a philosophic fact that the power to make laws is the greatest of all governmental functions, then, perhaps, so far as the wishes of the people are concerned, this body, being nearer to them, is in some sort the greatest of all legislative bodies known to the civilized and progressive nations of the world.

Until very recently, as we all know, this body was the only agency under our plan of government chosen by direct vote of the people. Popular election of Representatives worked so well and so much have you as representatives of the American people merited commendation, that they have decided to choose Senators after the manner in which you have always been chosen. [Applause.] This is the highest indorsement that could possibly have been given to the House of Representatives.

Mr. Speaker, I have served with you here and with others for 17 years. That association has been most pleasant, and I can truly say that so far as my personal relations and my friendships are concerned I know no division by the center aisle of this House. [Applause.] I have had as much courtesy and kindness from that side of the Chamber as from this. [Applause.]

Mr. Speaker, I beg to assure you and every Member of this House that I shall carry in my heart of hearts the highest appreciation and everlasting love for each and every Member and the most pleasant recollection of my associations here. I thank you, Mr. Speaker, and you gentlemen of the House. [Long and loud applause.]

The SPEAKER. The gentleman from Alabama asks unanimous consent that the name of Mr. WEBB, of North Carolina, be substituted for his name in the control of time where it is mentioned in the resolution. Is there objection?

There was no objection.

The SPEAKER. Under the resolution the House automatically resolves itself into Committee of the Whole House on the state of the Union, and the gentleman from Tennessee, Mr. HULL, will take the chair.

The House accordingly resolved itself into Committee of the Whole House on the state of the Union, with Mr. HULL in the chair.

INTERSTATE TRADE COMMISSION.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 15613 and other bills. Under the rule, the first reading of H. R. 15613 is dispensed with, and the Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 15613) to create an interstate trade commission, to define its powers and duties, and for other purposes.

Mr. ADAMSON. Mr. Chairman, the gentleman from Maryland [Mr. COVINGTON] has acted as chairman of the subcommittee, and with great assiduity and ability has labored upon the preparation and perfection of the bill now before this committee. His work was so satisfactory that the subcommittee unanimously agreed, and when it was reported to the full committee was with almost perfect unanimity agreed to. Objection was made, as I remember, by only two persons, not that the bill was not good enough as far as it goes, but that it did not go further and do a little more.

The gentleman from Maryland, from his able and painstaking labors on the subject, probably understands the bill and the subject better than any other member of our committee, if not better than any member of the Committee of the Whole House, and it is with great pleasure, in consideration of his intimate acquaintance with the subject and in recognition of his fidelity and ability in the preparation of this bill, that I yield to him such part of the time allotted to me as he sees proper to use.

Mr. COVINGTON. Mr. Chairman, the bill to create an interstate trade commission now presented to the House is the first legislative measure resulting from the message of the President read to Congress in January last on the subject of trusts and monopolies. In that message he recommended the creation of an interstate trade commission as an instrument of information and publicity and as a clearing house for the facts by which both the public mind and the managers of great business undertakings should be guided. Moreover, he suggested in that message that the commission ought to be made capable of assisting the courts in the shaping of corrective processes.

It is true that the President in urging the creation of a trade commission referred to the wishes of the business men as follows:

They desire the advice, the definite guidance, and information which can be supplied by an administrative body, an interstate trade commission.

And straightway certain big business men and their lawyers, who had in the field of industrial business constantly been hovering in the dim shadows of the twilight zone which separates honesty from unlawfulness, began to hail the message as the forerunner of a statute that would enable them to propose to a Government commission their plans for exploitation, conceived with subtlety and phrased in fair words, and obtain, perchance, that initial approval which would mean individual immunity at a later date if the subtlety of the plan had been followed by fraud or criminality in its consummation.

But these persons had not critically analyzed the President's message, for in speaking of the opinion of the country regarding the trade commission he had also said:

I would not wish to see it empowered to make terms with monopoly or in any sort to assume control of business, as if the Government made itself responsible.

The truth is that the administration idea and the idea of business men generally is for the preservation of proper competitive conditions in our great interstate commerce. That equal and complete freedom in business which is the way of peace and of success as well is best promoted by the unrestrained and

uncontrolled genius and industry of the American business man. Consequently it would be completely out of harmony with our present idea to establish a commission clothed with the effective power to approve and disapprove proposed contracts, to enforce fair competition, to prohibit unfair competition, to have powers of regulation or control of prices, and the power directly to issue orders outlining the scope of the lawful operations of industrial business of this country.

In harmony with those general views the Committee on Interstate and Foreign Commerce submits the bill now under consideration. In the concurring report of the Republican minority it has been accurately said:

For many years all legislation in this committee has been considered upon its merits, without regard to partisan lines or influences.

That has been emphatically the case with this bill to create an interstate trade commission. It is a piece of constructive legislation for the benefit of the whole country, and it was drafted by a subcommittee of Democrats and Republicans, who cooperated in the broadest spirit to produce a measure which will meet the public expectations and necessities. While the bill happens to bear my name, I want this House to understand that it is simply the result of the aggregate labors of the entire membership of a subcommittee, which in turn earnestly sought and gladly accepted all the expert advice it could obtain to produce a bill adequate to meet the sentiments and requirements of the whole people.

Mr. Chairman, public sentiment has undoubtedly crystallized for an interstate trade commission. Two of the three great political parties in the last presidential election advocated such a body in their national platforms. While the Democracy did not propose such a body or in any way deal with the subject as a campaign issue, the President, with that largeness of mind so characteristic of him, finding such a commission to be so desirable as an independent administrative body exercising certain powers in connection with our industrial business, has urged the legislation necessary for its creation. [Applause.]

Thoughtful men, without regard to party, have given definite expression to their views favoring an interstate trade commission. In a speech delivered on February 12, last, Victor Morawitz, one of the foremost corporation lawyers of the United States, said:

It is true, however, that more effective machinery could be provided for ascertaining violations of the law, for obtaining prompt decisions as to its application to specific cases as they arise, for enforcing the prohibitions of the law more promptly and more efficiently. To attain that result the creation of an interstate trade commission under an act carefully defining its functions, powers, and duties would be a wise and effective measure.

In the report of the Senate Committee on Interstate Commerce, of which Senator CLAPP was chairman, made to the Senate on February 26, 1913, it was said:

If the Bureau of Corporations were converted into an independent commission composed of trained, skillful men, and clothed with adequate authority, there could be gathered more complete and accurate knowledge of the organization management, and practices of the corporations and associations engaged in national and international commerce than we now have. In saying this the committee does not mean to disparage the work of the Bureau of Corporations as hitherto carried on, but, valuable as the work has been, it is believed that a greater service could be rendered by a commission with a distinct organization with adequate appropriations and added authority. Moreover, it is clear that the constant inquiry into and investigation of interstate commerce in order to ascertain whether the law is being violated should be more closely connected with prosecutions for violations, when found to exist, than at the present time.

The report of the special committee on trust legislation of the Chamber of Commerce of the United States of America, made on April 14, 1914, contains a paragraph regarding the pending bill, as follows:

For the purposes which the trade-commission bill has in view—affecting business in its great branches of manufacture and merchandising—an independent commission is to be preferred to an official subordinate of a Cabinet officer. A commission will have in its membership one or more men whose experience and training have been gained primarily in business; thus there will always be possibility for representation of the point of view of practical men of affairs. It is inevitable that through the stimulus of discussion and exchange of suggestions among members a commission in its investigations and studies will more surely arrive at essential facts and will reach conclusions which are more truly decisive than is possible for the head of a departmental bureau. Although an individual may be more effective in performance of executive duties, a commission is more successful in dealing with questions involving consideration of complex elements. As the commission is to have a function of recommending legislation relative to trade practices and the like, it is all the more important that it should be a body of experts.

The bill, as it is now presented to this House for passage, has been subject to very wide publicity and very extensive analysis by business men and lawyers all over the country. It is not without its opponents. No piece of legislation intended to benefit the business men of the country and the great masses of the people alike can be expected to commend itself to those malefactors who seek special privilege through the shortcomings or the devious ways of the law. It is significant, however, that, amid all the generalizations of criticism which have taken place regarding this bill, the powers to be exercised by the commission created under it and the broader field of investigations to be entered by it have not been successfully attacked. So true a representative of that section of big business which is concerned with the sort of special privilege which revels in secrecy as the New York Journal of Commerce, in an editorial more than a column long on April 24, 1914, after discussing the bill to create the proposed interstate trade commission, and applauding the objections of Mr. Felix H. Levy, a well-known corporation lawyer, to the broad powers of publicity and investigation conferred upon the commission, gets its specific objection to the bill down to this paragraph:

But the Covington bill contains no provisions whatever giving to the proposed commission the right to pass upon questions of business procedure which business men may desire to propound. Mr. Levy is certainly not alone in his belief that so far from the proposed interstate trade commission meeting the demand which the President stated in January existed among the business community, it makes no attempt to meet that demand, but, on the contrary, sets up a tribunal whose only claim to recognition must consist in the possession of powers needlessly inquisitorial and perniciously broad.

I am glad to see the objections of a certain element in Wall Street so frankly stated. It is a singular thing that the men in control of that section of big business which needs stringent supervision and which has in the past been the subject of most criticism for its wayward practices are the men who so persistently urge that a trade commission ought by all means to be created; that the country is crying out for a trade commission, but that it must surely possess the plenary power to pass administrative orders of approval upon the various schemes of combination and business operation which their subtle minds or the cunning of their adroit lawyers can conceive to the disadvantage of the American people. It is just such a course as this that the President vigorously opposes and the committee deliberately determined to prevent. We do not believe that at this time it is possible for a trade commission always to judge accurately, and in the interest of honest big business and the public alike, respecting the approval or disapproval in advance of the plans of combinations to engage in interstate commerce. The approval of those plans may prevent the subsequent prosecution of individuals connected with them, no matter what flagrant violations of law may take place after such approval, and no matter how much ruthless robbery of the people through stock exploitations may have been the result.

It seems almost a foolish thing to present to this House the views of men concerned with industrial business that the creation of a trade commission as an independent body, and with the powers we have conferred upon it, is an eminently wise piece of legislation. That the present bill embodies a full measure of the broad powers which impartial and just business men would have the commission exercise is very evident. Many briefs have been filed by the counsel of these men, and from them I take a passage by Mr. Charles Wesley Dunn, of New York City, the very able counsel of the American Specialty Manufacturers' Association. He says:

The recital of the powers, authority, and duties of the proposed trade commission indicates that such a comuission would be in harmony with the suggestions of the President. It has been earnestly and sincerely urged, and with much force, that the commission should in the beginning be clothed with the effective power to deal directly with business, to approve and disapprove proposed contracts, cooperation, and other plans to enforce fair competition and prohibit unfair competition by administrative order. * * * The shadow of a commission thrust full-born and dominating, and suggesting control of private business, would worry the legitimate business world in a manner which would not be beneficial. It is indeed true that "such matters are of a most delicate, complex, and doubtful nature." A trade commission, which by experience has proven its worth and value and has gained the confidence of the business world, may extend its field of service more surely and safely. The President has indicated: "The object and spirit is to meet business halfway in its processes of self-correction and disturb its legitimate course as little as possible." The opinion is ventured that a careful, analytical, and impartial study of industrial business would be of incalculable value. It is believed that this need alone would warrant the creation of a trade commission.

The bill as reported provides for a commission of three members at a salary of $10,000 a year. The proposed commission will largely justify its creation by the method and manner of the performance of its varied duties by its members. The highly efficient services of men of large capacity will be required, and the salaries of the members of the commission have been placed at a figure which will enable the President to secure that sort of men. In the detailed organization of the commission the provisions of the existing act to regulate commerce and the amendments thereto creating the Interstate Commerce Commission are followed wherever practicable.

Under the act of February 14, 1903, the Bureau of Corporations was created as a bureau of the newly organized Depart-

ment of Commerce and Labor. Under that act and its amendments, the Commissioner of Corporations was given rather extensive powers to investigate the organization and management of business corporations and to obtain such information as would enable the President to make recommendations to Congress for new legislation. With the creation of the Department of Labor in 1913, the bureau was one of those placed under the jurisdiction of the Department of Commerce. While the powers, authority, and duties conferred upon the Bureau of Corporations and the Commissioner of Corporations are broad, there was a failure specifically to require the regular gathering of certain most important kinds of information through the medium of annual reports from industrial corporations engaged in interstate commerce. The act also omitted to confer other powers, perhaps not then thought useful, but now believed to be most necessary to assist in effectuating the definite policy and functions for the proposed commission announced by the President in his trust message.

However, an interstate trade commission must almost of necessity be built up on the foundation existing through the Bureau of Corporations, and in section 3 the bill transfers to the commission all of the powers, authority, and duties of the Bureau of Corporations and of the Commissioner of Corporations. The broadest powers of that bureau and of the Commissioner of Corporations are embraced in the general provision of the law creating that bureau to investigate the organization, conduct, and management of the business of corporations, and to gather information and data to enable the President to make recommendations to Congress for legislation for the regulation of interstate commerce.

And, Mr. Chairman, I think it a just tribute to the broad vision and legal learning of the present minority leader, the gentleman from Illinois [Mr. MANN], to remind Members of this House that he drafted the law creating that bureau amid the fulminations of great constitutional lawyers, who asserted that it attempted to break down the constitutional safeguards of business corporations. [Applause.]

The Commissioner of Corporations up to this time has not come to an issue in court with any corporation concerning the extent of the powers to be exercised under the very general phraseology of the law creating the Bureau of Corporations. At the same time, in the case of United States *v.* Armour & Co. (142 Fed. Rep., 808), before Judge Humphrey in the United States District Court for the Northern District of Illinois, the validity of those powers was expressly in issue in a criminal case. It was held that—

> the primary purpose of the act was legislative, to enable Congress by information secured through the work of officers charged with the execution of that law to pass such remedial legislation as might be found necessary, and the act must be construed in view of that purpose—

and that its provisions were definite expressions of legislative intent and constitutionally enforceable.

Notwithstanding the ordinary objections to legislation by mere reference to existing statutes, the committee felt that in view of the judicial determination of the validity of the powers of the Bureau of Corporations and of the Commissioner of Corporations and their broad character it is by far the wisest course in the pending bill to transfer those powers to the commission by specific reference to the existing law.

But, Mr. Chairman, the great value to the American people of the Interstate Commerce Commission has been largely because of its independent power and authority. The dignity of the proposed commission and the respect in which its performance of its duties will be held by the people will also be largely because of its independent power and authority. Therefore the bill removes entirely from the control of the President and the Secretary of Commerce the investigations conducted and the information acquired by the commission under the authority heretofore exercised by the Bureau of Corporations or the Commissioner of Corporations. All such investigations may hereafter be made upon the initiative of the commission, and the information obtained may be made public entirely at the discretion of the commission.

One of the foremost opponents of the creation of the Bureau of Corporations was Mr. Carman F. Randolph, a prominent New York lawyer. He has prepared a brief against the pending bill to create a trade commission "at the request of certain corporate interests within the purview of the bill."

In opposing the powers provided in the bill for the commission, he says:

> While the nature and purposes of the commission and the strong phrasing of its powers suggest a sharper inquisitorial activity than the bureau * * * the main constitutional issue is not more deeply involved in the commission bill than in the bureau act.

Having regard for the admitted constitutionality of the bureau act to the extent necessary for the decision in United States against Armour & Co., supra, and considering the nature, according to Mr. Randolph, of the additional powers of great value to the people and industrial business itself to be exercised by the commission, this House may feel well assured that constitutional limitations are duly regarded at the same time that the commission is required to perform effective duties not now existing with the Bureau of Corporations.

Now let us take up the powers conferred upon the interstate trade commission in the pending bill, and which are beyond the purview of the Bureau of Corporations. There has been serious question whether under the powers of the Bureau of Corporations there may be required annual or special reports of specified corporations, indicating information as to the financial condition, organization, bondholders, stockholders, relation to other corporations, and business practices while engaged in interstate commerce. None were apparently contemplated in the law creating that bureau, and certainly there was no compulsory power provided to obtain them.

Therefore, in section 9 of the bill, annual reports from the great industrial concerns of the country are provided for, setting forth essential facts connected with the organization, stockholders, financial condition, and general business conduct of those concerns.

The testimony before the committee by many men of large business experience was singularly in accord with the idea that these reports will afford one of the surest means of that publicity which will tend to an elevated business standard and a better business stability. All corporations engaged in interstate commerce having a capital of more than $5,000,000 are required to file these reports. But it is not always the large corporation that has an organization or financial condition or a system of practices that requires publicity to bring about lawful methods in its business. It is quite possible that a group of small corporations may be so operated as to cause serious violations of law. The commission is given the power, therefore, to make classifications of corporations having a capital of less than $5,000,000, which shall be required to make the same annual reports that are to be made by the large corporations. This power of classification will relieve the mass of smaller business concerns engaged in interstate commerce from the necessity of making such reports, while it reserves to the commission that discretion which it ought to have to provide for rational publicity of bad practices in interstate commerce without regard to the size of the corporations engaging in those practices.

The commission, under this section, may also require such special reports as it may deem advisable. By this means, if the ordinary data furnished by a corporation in its annual reports do not adequately disclose its organization, financial condition, business practices, or relation to other corporations, there can be obtained by a special report such additional information as the commission may deem necessary.

Compulsory publicity of an abstract of the annual and special report of each corporation is required by the provision of section 17 that such abstract must be included in the published annual report of the commission. The section contains, however, ample safeguards to prevent the disclosure of those necessary trade secrets which are of no value to the public in promoting lawful competitive business, but which when disclosed simply afford an opportunity for injurious use by competitors.

In some quarters these annual and special reports seem to be regarded as an unnecessary publicity of the affairs of corporations. It is therefore well to note that both the preliminary and final reports of the industrial commission recommended as the chief measures of reform to check the growth of monopoly, greater publicity regarding the operations of corporations, and particularly the establishment of some organ of publicity in the Federal Government.

The preliminary report of the industrial commission submitted to Congress in 1900 said in part as follows:

> The larger corporations—the so-called trusts—should be required to publish annually a properly audited report showing in reasonable detail their assets and liabilities, with profit and loss; such reports and audit under oath to be subject to Government inspection. The purpose of such publicity is to encourage competition when profits become excessive, thus protecting consumers against too high prices and to guard the interests of employees by a knowledge of the financial condition of the business in which they are employed.

The final report of the industrial commission, submitted to Congress in 1902, in volume 19, pages 650–651, said in part as follows:

> That there be created in the Treasury Department a permanent bureau the duties of which shall be to register all State corporations engaged in interstate or foreign commerce; to secure from such corporations all reports needed to enable the Government to levy a franchise tax with certainty and justice, and to collect the same; to make such inspection and examination of the business and accounts of such

corporations as will guarantee the completeness and accuracy of the information needed to ascertain whether such corporations are observing the conditions prescribed in the act and to enforce penalties against delinquents; and to collate and publish information regarding such combinations and the industries in which they may be engaged, so as to furnish to the Congress proper information for possible future legislation.

The publicity secured by the governmental agency should be such as will prevent the deception of the public through secrecy in the organization and management of industrial combinations or through false information. Such agency would also have at its command the best sources of information regarding special privileges or discriminations, of whatever nature, by which industrial combinations secure monopoly or become dangerous to the public welfare. It is probable that the provisions herein recommended will be sufficient to remove most of the abuses which have arisen in connection with industrial combinations. The remedies suggested may be employed with little or no danger to industrial prosperity and with the certainty of securing information which should enable the Congress to protect the public by further legislation if necessary.

Well-known publicists also place first in the order of correctives for the evils to competition and fair trade still existing in the world of interstate commerce a wide publicity of corporation affairs. In his book, "Trusts or Industrial Combinations in the United States" (1899), Prof. Von Halle, in his chapter, "Conclusions," pages 145–146, says:

In a form which corresponds to the character of the people and Constitution, the railroad problem has been intrusted to a controlling commission; a similar measure is asked for to-day, in view of the great capitalistic organization of production. The means by which it is attempted to settle the great social problems are in many respects identical all over the world. It is not a mechanical regulation of business life, which would lame the individual and make him subservient to a vast machine that is sought for, but a display of the rights of the Nation by means of a control in the hands of the community and in the full light of publicity. No author has conceived better the meaning of the corporation problem for the Commonwealth than Henry C. Adams. He asks for publicity, publication of the results, and the ways in which they were reached; a control through public bodies and a responsibility of the individual member of the administration of the corporation for the observance of the necessary restrictions. The leaders of the large companies have power and honor, but are not kept face to face with sufficient supervision.

In his recent work, "Corporations and the State" (1911), THEODORE E. BURTON, United States Senator from Ohio, says, regarding publicity as a vital force in the regulation of industrial business (pp. 60–61):

The manifest tendency, however, is toward greater publicity; and it should be borne in mind that if a corporation is receiving abnormal profits it is but fair to the public that this should be known. If profits are due to unusual ability, to care, and skill, that is one thing; if they are due to the possession of monopoly privileges or to oppression and exaction, that is another. In any event it would seem that the public is entitled to know whether corporations are being conducted in accordance with the requirements of law. This is certainly true in the case of the great corporations carrying on business on a large scale and coming in close touch with the needs of the people in the production of the necessaries of life. When the régime of publicity was introduced in Germany in 1884 fear was expressed that the business of corporations would be destroyed and their stockholders ruined if the details of their earnings and general condition were made public. But time has proven that these grave apprehensions were groundless.

And further on he says (pp. 137–138):

Of all regulations which promise results, publicity should be placed first. The most common argument against greater publicity is that the public has no more right to know about a corporation's affairs than about the affairs of a private individual. Such a view shows a radical misconception of the nature of a corporation. A business organization which is incorporated is a public agency invested with public responsibility. The basis for its existence is not merely the opportunity afforded its members to make profits, but its ability to perform a service more efficiently than any individual. At first, it may not seem desirable to impose this rule upon all the smaller corporations, but when they assume any considerable size there is no other adequate way to protect investors, creditors, and others who are affected.

In a recent address Mr. Guy E. Tripp, chairman of the board of directors, Westinghouse Electric Co., referring to the pending interstate trade commission bill, said:

A trade commission seems to me to be needed in a well-rounded plan of business legislation. No other agency can so well collect information, conduct investigations, and determine facts for the guidance of the legislature and courts, and that in the last analysis is all the power that the bill gives it. No great harm can come from elaborate powers given the commission in way of getting papers and documents except expense and bother to the corporations.

Mr. BATHRICK. Mr. Chairman, will the gentleman yield?

Mr. COVINGTON. Certainly.

Mr. BATHRICK. Right on that point, in section 9, I notice that in the discretion of the commission this publicity will take place.

Mr. COVINGTON. That is correct.

Mr. BATHRICK. It just occurred to me that the public was not certain to get this information if it relied wholly on the discretion of the commission.

Mr. COVINGTON. Mr. Chairman, I will say to the gentleman that that is the same discretion the Interstate Commerce Commission now possesses, and there has never been any trouble in the 27 years' history of that commission about the public getting all of the information about the railroads that was desired. Moreover, there will inevitably be in the great mass of data collected from 1,300 corporations in the United States certain classes of information which would serve the public no useful purpose, would merely encumber the reports of the commission, and give the American people no information which would enable them to judge of the practices of the corporations, whether they were proper or improper. I think we may safely trust at all times to the personnel of an independent commission, whose members may be named by Presidents of the United States of any political faith, to deal squarely in matters of publicity between the American people and big corporate business in interstate commerce. [Applause.]

Regarding one clause of section 9 there has arisen some legal controversy. Many small corporations have claimed to believe that they may be improperly affected by the expression which authorizes the commission to classify for reports corporations having less capital than $5,000,000. It has been urged by some that this supposed delegation by Congress to an administrative body of its legislative powers is of doubtful constitutionality. An early and leading case upon the subject is Field *v.* Clark (143 U. S., 649). There the President was authorized to suspend "for such time as he shall deem just" the tariff provisions relating to the free introduction of certain articles whenever satisfied that any country producing such articles imposed duties upon the products of this country "which he shall deem to be reciprocally unequal and unreasonable." The court held that this provision was constitutional and did not "in any real sense invest the President with the power of legislation" (p. 692).

In Butterfield *v.* Stranahan (192 U. S., 470), the court sustained the constitutionality of the tea-inspection act of March 2, 1897 (29 Stat., 604). That act gave the Secretary of the Treasury power, with the aid of a tea-inspection board, to "fix and establish uniform standards of purity, quality, and fitness for consumption of all kinds of tea imported into the United States"; and prohibited the importation of tea "of inferior purity, quality, and fitness for consumption to such standards." The court rejected the contention that this was a delegation of legislative power, saying:

We are of opinion that the statute, when properly construed, * * * but expresses the purpose to exclude the lowest grades of tea, whether demonstrably of inferior purity, or unfit for consumption, or presumably so because of their inferior quality. This, in effect, was the fixing of a primary standard and devolved upon the Secretary of the Treasury the mere executive duty to effectuate the legislative policy declared in the statute. * * * Congress legislated on the subject as far as was reasonably practicable, and from the necessities of the case was compelled to leave to executive officials the duty of bringing about the result pointed out by the statute. To deny the power of Congress to delegate such a duty would, in effect, amount but to declaring that the plenary power vested in Congress to regulate foreign commerce could not be efficaciously exerted (p. 496).

In In re Kollock (165 U. S., 526) the law taxing oleomargarine required it to be packed in wooden boxes, "marked, stamped, and branded as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe." A violation of this provision was made punishable by fine and imprisonment. It was held that this was not an unconstitutional delegation of legislative power.

In Union Bridge Co. *v.* United States (204 U. S., 364) a statute delegating to the Secretary of War the power to determine conclusively that any bridge over a navigable waterway is an unreasonable obstruction to navigation and to require its removal, and imposing a fine of $5,000 upon proof of the owners' disobedience of the order for its removal, was held proper. The court said:

By the statute in question Congress declared in effect that navigation should be free from unreasonable obstructions arising from bridges of insufficient height, width of span, or other defects. It stopped, however, with this declaration of a general rule and imposed upon the Secretary of War the duty of ascertaining what particular cases came within the rule prescribed by Congress, as well as the duty of enforcing the rule in such cases. In performing that duty the Secretary of War will only execute the clearly expressed will of Congress, and will not, in any true sense, exert legislative or judicial power (p. 386).

In St. Louis & Iron Mountain Railway Co. *v.* Taylor (210 U. S., 281, 287) the court sustained section 5 of the safety-appliance act (27 Stat., 531), which provided, in effect, that after a date named only cars with drawbars of uniform height should be used in interstate commerce, and that the standard should be fixed by the American Railway Association and declared by the Interstate Commerce Commission.

In United States *v.* Grimaud (220 U. S., 506) the act establishing forest reserves (26 Stat., 1103), as amended by Thirtieth Statute, page 35, and Thirty-third Statute, page 628, authorized the Secretary of Agriculture to—

make provisions for the protection against destruction by fire and depredations upon the public forests and forest reservations * * * and to make such rules and regulations and establish such services as will insure the objects of such reservation, namely, to regulate their

occupancy and use and to preserve the forests thereon from destruction—

and imposed a punishment for the violation of such regulations. Under this authority the Secretary made a regulation forbidding the grazing of sheep on such reservations without his permission. The defendants were indicted for violating this regulation. Held, the delegation of power was constitutional and the regulation was proper. The court said (p. 516):

In authorizing the Secretary of Agriculture to meet these local conditions Congress was merely conferring administrative functions upon an agent and not delegating to him legislative power.

In United States *v.* Antikamnia Chemical Co. (231 U. S., 654) it was held that section 3 of the pure food and drugs act (34 Stat., 768), giving the Secretaries of the Treasury, of Agriculture, and of Commerce and Labor the power "to make uniform rules and regulations for carrying out the provisions of the act," authorized them to make a regulation requiring the labels on packages of drugs containing any derivative of the substances named in section 8 of the act to state the name of the parent substance as well as of the derivative. It was held that while the power given to the Secretaries was "undoubtedly one of regulation—an administrative power only—not a power to alter or add to the act," the regulation in question was "administrative of the law" and not "additive to it. * * * If it fulfills the purpose of the law it can not be said to be an addition to the law * * *" (pp. 666-667).

In Interstate Commerce Commission *v.* Union Pacific Railroad Co. (224 U. S., 194) the court held that section 20 of the commerce act gave the commission power to require reports both of the interstate and intrastate business of carriers subject to the act and held that section 20 thus construed was not an unlawful delegation of legislative power to the commission. It was said:

The Congress may not delegate its purely legislative power to a commission, but, having laid down the general rules of action under which a commission shall proceed, it may require of that commission the application of such rules to particular situations and the investigation of facts, with a view to making orders in a particular matter within the rules laid down by the Congress. * * *

In section 20 Congress has authorized the commission to require annual reports. The act itself prescribes in detail what these reports shall contain. The commission is permitted, in its discretion, to require a uniform system of accounting and to prohibit other methods of accounting than those which the commission may prescribe. In other words, Congress has laid down general rules for the guidance of the commission, leaving to it merely the carrying out of details in the exercise of the power so conferred. This, we think, is not a delegation of legislative authority (pp. 214, 215).

From the above cases it seems conclusive that when Congress has once fixed the general test or principle to be applied it may confer on administrative officers a wide latitude of discretion in applying that test or principle. Judged by this rule, the provision in question is clearly constitutional. It obviously is not intended to confer an utterly arbitrary and unlimited discretion upon the commission. The implied test of the propriety of requiring a certain class of corporations to furnish reports is plainly the due enforcement of the antitrust acts and the performance of the commission's duties in assisting to enforce those acts. A primary test may be implied as well as expressed. (Butterfield *v.* Stranahan, supra.) The test here implied—the due enforcement of the antitrust acts—is sufficiently specific.

Mr. MOORE. Mr. Chairman, will the gentleman yield?

Mr. COVINGTON. Certainly.

Mr. MOORE. Is the gentleman referring in his second classification to the line on page 8 of the bill which refers to "a class of corporations which the commission will designate"?

Mr. COVINGTON. I am.

Mr. MOORE. That is the second class which the gentleman is now explaining?

Mr. COVINGTON. Yes.

Mr. MOORE. May I ask if this bill does not apply wholly to corporations other than common-carrier corporations which are now subject to the supervision of the Interstate Commerce Commission?

Mr. COVINGTON. Unquestionably, except in a single section. If the gentleman will read the bill carefully, he will find a definition of the word "commerce" which we have created in order to simplify the bill. When that word is used throughout the act it necessarily limits the operations of the commission to interstate commerce, and the bill expressly excludes railways by excepting corporations subject to the act to regulate commerce, except in the section which provides for an investigation to be made to find the facts relating to violations of the antitrust law. We did not think we could circumscribe the right of such investigation by stating it should only take place with respect to corporations not subject to that act, because a railroad corporation, subject to the act to regulate commerce and controlled exclusively under that act, in so far as the regulation of its rates and its practices and all that sort of thing is concerned, may be engaged in a combination in violation of the Sherman law in connection with a group of hotel companies, for example. The investigation of the hotel companies for operating as a monopoly would force the interstate trade commission into an investigation of the railway itself. But aside from that section, I will say to the gentleman that in every part of this bill railways are carefully excluded. The committee felt that the Interstate Commerce Commission was so wisely, so well, and so satisfactorily, to the great body of American people, performing its duties as a regulatory body over the railroads of this country that we did not want to enter the domain of their power.

Mr. MOORE. In the course of the gentleman's forceful speech he has referred several times to big business and little business. That means business of a corporation, whether big or little?

Mr. COVINGTON. Unquestionably. And in that connection I want to say that I do not regard business as dangerous merely because it is big. The phrase was merely a term commonly used to apply to those great corporations in the interstate commerce of the country.

Mr. MOORE. It does not refer to a business man who is not incorporated, or to business men who are not incorporated?

Mr. COVINGTON. It does not. The business which ought properly to be affected by the operation of a trade commission is so nearly always operated by corporations that the committee did not think it wise to make the provisions of the bill apply to individuals.

Mr. MOORE. Just one more question. On page 5 the word "corporation" is defined to mean—

a body incorporated under law, and also joint-stock associations and all other associations having shares of capital or capital stock or organized to carry on business with a view to profit.

During a previous discussion in the House a question arose as to whether we should include in certain legislation a corporation publishing a socialistic newspaper, which had seven or eight thousand stockholders—in effect a paper published by a labor association. Would that be included amongst those corporations having—

shares of capital or capital stock or organized to carry on business with a view to profit?

Would that be included amongst those subject to inquiry by and report to an interstate trade commission?

Mr. COVINGTON. Mr. Chairman, I would not like to hazard an opinion upon whether a particular journal would or would not be included, because that might involve some sort of examination as to the precise method and manner of the business organization conducting the journal. I will say this, that I think I know what the gentleman is driving at. There was not any intention in the framing of that definition in this bill to create any exemptions for labor organizations or farmers' organizations, or any other sort of organizations that exist in the United States of America, because the proposed trade commission will not deal with any of them in such a way as to infringe their just rights.

Mr. BORLAND. Mr. Chairman, will the gentleman yield?

Mr. COVINGTON. Yes.

Mr. BORLAND. I might suggest to the gentleman from Pennsylvania [Mr. MOORE] that those corporations included in this act must not only be corporations within the definition of corporations, but they must be engaged in commerce within the definition of commerce, and that means such commerce as Congress has the power to regulate under the Constitution.

Mr. MOORE. But if the gentleman will look at page 5 he will find it refers to any association having shares of capital or capital stock, or organized to carry on business with a view to profit, which was certainly the case with regard to that socialistic newspaper, which has seven or eight thousand stockholders, which was especially exempted from certain operations of the postal laws.

Mr. BORLAND. Yes; and if the gentleman will turn to page 7, section 9, he will see reference there to "every corporation engaged in commerce," so that the definition he must refer to is not only the definition of "corporations," but also the definition of "commerce," because it must be a corporation within the definition, and also be engaged in commerce within the definition.

Mr. TOWNER. I want to call the gentleman's attention to the distinction of "commerce." As I understand it, he said it was written in the bill, so as to exclude railroad companies. The distinction is given in section 6, as follows:

Commerce means such commerce as Congress has power to regulate under the Constitution.

Mr. COVINGTON. I fear the gentleman misunderstood me. What I meant to say was this, that the definitions and express exemptions eliminate carriers from the operation of this act, except in a single section. That is the meaning I intended to convey.

Mr. TOWNER. The definition of commerce as here given——

Mr. COVINGTON. The definition of "commerce" is broad enough to cover any commerce over which the Federal courts have control.

Mr. TOWNER. I have not examined the bill carefully enough to know whether its exclusion would be carried out in other places of the bill or not.

Mr. COVINGTON. I think the gentleman, whose legal ability I always gladly recognize, will find on a careful examination of this bill that we have excluded railways from every provision of it except the single one to which I have referred.

Now, Mr. Chairman, to return from the diversion, I want to say a final word regarding the classification of the corporations under section 9. The Congress has itself fixed two broad classes, those with more than $5,000,000 capital, which are arbitrarily required to file reports, and those with less than $5,000,000, which, under rules and regulations of the commission, may or may not report. In the language of the Supreme Court in the Antikamnia case, the regulation classifying certain corporations from which reports must be filed is "administrative of the law" and not "additive to it."

I come now to another important power of the commission. The commission will also be required under section 10 of the bill, by the direction of the President, the Attorney General, or either House of Congress, to investigate and report the facts relative to any alleged violation of the antitrust acts, and it may include in its report recommendations for readjustment of business so that the corporations investigated may operate lawfully.

It has long been the opinion of lawyers who have represented the Government that there should be some compulsory process whereby the Department of Justice, before bringing suit under the antitrust act, can obtain all the information necessary to determine whether the act has been violated and for the proper statement of the case if there has been a violation. As the law now stands in civil proceedings under the antitrust laws the department has no means of compelling the disclosure of facts in advance of bringing suit. This deficiency is fully met by the provision of section 10 of the pending bill.

Especially valuable will be the provision that agents of the commission shall have the right to examine the files of any corporation under investigation. This is a much more effective means of obtaining information than by a subpœna duces tecum, since before making use of the latter the prosecutor must know what records and documents to specify, whereas there may be in the possession of the corporation many records and documents material to the inquiry of which he has no knowledge and which could only be discovered by such an examination as this section authorizes.

Attorney General Harmon, in reply to a House resolution of January 7, 1896, requesting a report regarding the enforcement of the laws against trusts and conspiracies in restraint of trade, and what further legislation, if any, was needed, in part said:

> If the Department of Justice is expected to conduct investigations of alleged violations of the present law or of the law as it may be amended, it must be provided with a liberal appropriation and a force properly selected and organized. * * * But I respectfully submit that the general policy which has hitherto been pursued of confining this department very closely to court work is a wise one, and that the duty of detecting offenses and furnishing evidence thereof should be committed to some other department or bureau.

Moreover, the Department of Justice has often found that an agreement for readjustment by an offending corporation accomplishes a better result than the continuance of a prosecution. Heretofore there has been no administrative body to obtain the information that will assist in attaining such an end, and in connection with this power now conferred the commission has a most desirable independence preserved by giving it the entire control of its report to be made after such investigation. There can thus be no laxity at the Department of Justice when it is presented with the facts disclosing violations of law.

Mr. MADDEN. The creation of this commission would not create ability in men, would it?

Mr. COVINGTON. Certainly not.

Mr. MADDEN. They would not be able to get any better experts under the commission plan than under the other?

Mr. COVINGTON. The gentleman from Illinois is recognized as a pretty good business man, and he knows that when you begin to organize a bureau as an independent administrative body, authorize it to do work along certain lines, and employ steadily special classes of legal experts and certain classes of experts in the various lines of industrial business to make investigations, that just as the Interstate Commerce Commission has created its trained experts to get the facts regarding railway operations in the country, you would develop a set of experts by the constant special work who will be much more successful than the chance investigators that the Department of Justice or the Bureau of Corporations is able to find.

Mr. MADDEN. I am willing to admit you can train men to become specialists.

Mr. COVINGTON. That is all I intended to mean by the assertion I made.

Broad as are the powers of the Bureau of Corporations, the Commissioner of Corporations, in his report of 1904 (p. 14) defines the limit of those powers. He says:

> He can not make investigations or procure or furnish information by means of his compulsory powers for the purpose of enforcing penal provisions other than those contained in the organic act of the bureau.

It is therefore certain that the power to investigate and report the facts concerning alleged violations of the antitrust acts, *including the power to make recommendations for readjustment of business in accordance with law*, is not now vested in the Bureau of Corporations.

And, Mr. Speaker, herein is to be found the full measure of "definite guidance and counsel," and the spirit "to meet business halfway in its process of self-correction" which the President referred to in his special message to Congress. Not to advise in advance, in a fashion at variance with our entire jurisprudence, but to meet in a spirit of compromise and conciliation those who really have unwittingly offended and who desire to obey the law.

That this investigational power is a constitutional delegation of power seems certain. By section 3 of Article II of the Constitution it is specifically required of the President that "he shall take care that the laws be faithfully executed." The Attorney General is merely an arm of the Executive, and it was no doubt in consonance with this constitutional provision that Attorney General Harmon wrote the report to Congress above referred to. It is thus certain that the investigations by the commission under this section, by direction of either the President or the Attorney General, will be in the exercise of valid power delegated to the commission.

In so far as the investigations under this section as the result of resolutions of Congress, or either House thereof, are concerned, the commission is authorized to perform a legal and certainly a most beneficent function. Congress, having the constitutional authority to legislate in regard to interstate and foreign commerce, has the power to obtain all the information necessary to make such legislation appropriate and adequate. Its future regulation of industrial corporations engaged in interstate and foreign commerce may be as much determined by information concerning the present practices of corporations in violation of law as otherwise. In its judgment the existing substantive law or procedure of the courts may be ineffective and new remedial legislation may be the solution. In repeated cases the Supreme Court has held that "Congress may not delegate its purely legislative power to a commission," but it has not been held that Congress may not by a commission elicit information in order to lay the foundation for intelligent and effective action in the matter of regulating interstate and foreign commerce.

Unthinking criticism has been directed against such power to be conferred on the commission. However, more than 25 years ago Judge Cooley, the distinguished chairman of the Interstate Commerce Commission, said of such power then believed to exist in that commission:

> This is a very important provision, and the commission will no doubt have frequent occasion to take action under it. It will not hesitate to do so in any case in which a mischief of public importance is thought to exist and which is not likely to be brought to its attention on complaint by a private prosecutor.

The committee also limited the authority of the commission under this section to investigating and reporting the *facts* and did not authorize it to make findings as to whether the antitrust laws had been violated. A grave constitutional question might arise from any attempt to confer this larger authority upon the commission, but putting the constitutional question aside, the practical results may be most unfortunate. If the commission, acting under such a provision, ascertained the facts in respect of an alleged violation of the antitrust act and reported them to the Attorney General, together with its conclusion that the facts disclosed a violation of the act, and the Attorney General was nevertheless of opinion that the facts found by the commission did not constitute a violation of the act, he must nevertheless prosecute. For if, in his discretion,

he refused to prosecute, that course would soon bring a collision between the commission and the Department of Justice.

In addition to the broad powers of subpœna conferred on the commission and available for investigations under the section, it is also expressly provided that—

For the purpose of prosecuting any investigation or proceeding authorized by this section, the commission, or its duly authorized agent or agents, shall at all reasonable times have access to, for the purpose of examination, and the right to copy any documentary evidence of any corporation being investigated or proceeded against.

Those who oppose this bill as containing unusual inquisitorial power point to this paragraph as constituting a clear invasion of the constitutional guaranty against unreasonable searches and seizures contained in the fourth amendment to the Constitution.

In section 20 of the amended act to regulate commerce is contained an almost identical provision. It has been much availed of by the Interstate Commerce Commission, and has only been brought into question in a case or two where the commission sought access to documents which the carrier believed was not included in the language of the act. That it is entirely unconstitutional has never been contended.

The search-and-seizure clause of the fourth amendment undoubtedly applies to corporations. (Hale *v.* Henkel, 201 U. S., 43, 76.) It seems, however, that its application to corporations is much narrower than its application to individuals; for corporations, unlike individuals, are not protected by the self-incrimination provision of the fifth amendment. (Hale *v.* Henkel, supra.) And one purpose of the fourth amendment is substantially the same as that of the self-incrimination provision of the fifth—to prevent the forcible production of an individual's private books and papers to be used in evidence against him. (Boyd *v.* United States, 116 U. S., 616, 633.) It seems to follow that a search or seizure directed against a corporation can not be "unreasonable" simply because it compels the production of testimony against that corporation, and it has been so intimated by the Supreme Court. (Interstate Commerce Commission *v.* Baird, 194 U. S., 25, 45–46; Hale *v.* Henkel, supra, 73–75.) The unreasonableness of a search or seizure directed against a corporation must therefore rest on another basis than that of self-incrimination. That basis is indicated in Hale *v.* Henkel, supra, as follows:

We are also of opinion that an order for the production of books and papers may constitute an unreasonable search and seizure within the fourth amendment. While a search ordinarily implies a quest by an officer of the law, and a seizure contemplates a forcible dispossession of the owner, still, as was held in the Boyd case, the substance of the offense is the compulsory production of private papers, whether under a search warrant or a subpœna duces tecum, against which the person, be he individual or corporation, is entitled to protection. Applying the test of reasonableness to the present case, we think the subpœna duces tecum is far too sweeping in its terms to be regarded as reasonable. It does not require the production of a single contract, or of contracts with a particular corporation, or a limited number of documents, but all understandings, contracts, or correspondence between the MacAndrews & Forbes Co., and no less than six different companies, as well as all reports made and accounts rendered by such companies from the date of the organization of the MacAndrews & Forbes Co., as well as all letters received by that company since its organization from more than a dozen different companies, situated in seven different States in the Union.

If the writ had required the production of all the books, papers, and documents found in the office of the MacAndrews & Forbes Co., it would scarcely be more universal in its operation, or more completely put a stop to the business of that company. Indeed, it is difficult to say how its business could be carried on after it had been denuded of this mass of material, which is not shown to be necessary in the prosecution of this case, and is clearly in violation of the general principle of law with regard to the particularity required in the description of documents necessary to a search warrant or subpœna. * * * A general subpœna of this description is equally indefensible as a search warrant would be if couched in similar terms (pp. 76–77).

This language applies in terms only to search warrants and subpœnas duces tecum. The principle there laid down would scarcely be extended to an examination of books and papers by an administrative officer under statutory authority. Indeed, it seems to have been expressly left open by the opinion in Hale *v.* Henkel, which concludes:

Of course, in view of the power of Congress over interstate commerce to which we have adverted, we do not wish to be understood as holding that an examination of the books of a corporation, if duly authorized by act of Congress, would constitute an unreasonable search and seizure within the fourth amendment (p. 77).

This language can not mean that Congress may authorize a violation of the fourth amendment, and its only other meaning is that the court was prepared to draw a distinction between such an administrative power of visitation as is conferred by the section of the present bill and the judicial process of search warrant or subpœna duces tecum involved in Hale *v.* Henkel.

The test to be applied where corporations are concerned is that of reasonableness in fact, as Hale *v.* Henkel, supra, plainly indicates. The court has frequently recognized the wide visitorial powers which Congress may exercise over corporations engaged in interstate commerce, and the necessity for a considerable latitude in the exercise of this power. (I. C. C. *v.* Baird, supra; I. C. C. *v.* Brimson, 154 U. S., 447; I. C. C. *v.* Goodrich Transit Co, supra, 215; Kansas City Southern Railway Co *v.* United States, 231 U. S., 423.) And observing the broad application of the rule in the "Beef Trust cases," United States *v.* Armour & Co. (142 Fed. Rep., 808), there would seem to be no doubt that there is ample authority for the full exercise in a constitutional manner of the inquisitorial and visitorial powers conferred upon the commission.

In section 12 there is conferred upon the commission a broad and useful power as adjunct to the courts in suits arising under the antitrust laws. This is another essential power not vested in the Bureau of Corporations. There has been no proper bureau equipped with a trained force to assist the Department of Justice and the courts in solving the difficult economic problems connected with the dissolution of corporations which have been adjudged to be operating in violation of the antitrust laws, and one of the most effective powers conferred upon the interstate trade commission is that contained in the section authorizing the courts to refer to it the matters of the pending suit at the conclusion of the testimony therein to ascertain and report an appropriate form of decree. The purpose of such investigation is to give the court the most complete economic information to assist it. This power, of course, does not authorize the commission to gather evidence to be offered in any case considered by the court as the basis of its judgment, and it amply safeguards the constitutional rights of defendants by reserving to them the same right to file exception to the report that now exists in relation to masters' reports in equity causes in the Federal courts. The commission, as an independent body of specialists, will, however, have placed upon it the proper burden of framing the plans for the effective segregation and readjustment of unlawful combination, subject, of course, to the approval of the court.

Mr. FOWLER. Will the gentleman yield?

Mr. COVINGTON. I will.

Mr. FOWLER. The provision in section 12 is a departure, is it not, from the ordinary rule of courts?

Mr. COVINGTON. Oh, absolutely. It creates a certain innovation in the judicial procedure of this country; but it is an innovation that has the approval of about as heterogeneous a group of well-informed gentlemen as in this country could possibly be found. I find a statement of approval in The Outlook, which is supposed to be the embodiment of Mr. Roosevelt's Progressive Party views. I find also Mr. Samuel Untermyer, who is supposed to be somewhat of an authority on this sort of legislation, in a recent magazine article advocating it. And several of the most conservative of business men, such as Seth Low, think it a proper function of the commission.

Mr. FOWLER. I did not rise for the purpose of offering a criticism, but I want to ask the gentleman if he had any fears that it might delay a final judgment in case the court——

Mr. COVINGTON. On the contrary—and I will try to tell the gentleman from Illinois the history of the dissolution of the American Tobacco Co. When the Supreme Court decided that the Tobacco Trust was a combination in restraint of trade, no effective decree of dissolution was formulated, but the case was remanded to Judge Lacombe of the Southern District Court of New York, with instructions to formulate a decree of dissolution in consonance with the opinion. When the case got back to Judge Lacombe he found this proposition confronting him: Here was a great combination, with its trade ramifications everywhere, with 35 or 40 constituent companies doing all branches of tobacco business. He was a lawyer and not an economist. His training had been along the lines of legal study and not of industrial operations and statistics. Here, however, he was confronted with the proposition to formulate a decree that would at once create an effective dissolution of the trust and also safeguard the honest interests of the thousands of stockholders of the many constituent companies who were about to be launched into independent business. What actually happened was that the Attorney General and the representatives of the tobacco company, week after week and month after month, labored over a decree by consent. They called on the Bureau of Corporations for such information as it had regarding the American Tobacco Co., and they finally evolved by agreement a sort of decree that they thought would fit the case and submitted it to Judge Lacombe for his final approval. The net result was that, by reason of the lack of an efficient body charged with the handling of the numerous facts relating to all those tobacco concerns and assisting the court, a delay was caused and an imperfect decree resulted. If Judge Lacombe had been able to refer to a commission of the sort now proposed the whole record in the case and obtain a report concerning the form of a

proper constructive decree of dissolution, the public would have been more speedily and more effectively served.

I yield to the gentleman from Illinois [Mr. FOWLER].

Mr. FOWLER. Does not the gentleman think that when a case is being tried the court should say, in the first instance, that it needed help, and make a demand or a request upon the commission for such information as it might have at its command concerning the truth or concerning the business that was affected by the suit, rather than wait until after the evidence is all in and then submit the case to the Interstate Commerce Commission for an opinion as to what character of a judgment should be rendered?

Mr. COVINGTON. I think that would be an invasion of the constitutional right of the defendant.

Mr. TOWNER. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Maryland yield to the gentleman from Iowa?

Mr. COVINGTON. Yes.

Mr. TOWNER. I wanted to say to the gentleman that, as I understood it, in cases of this character this report of the commission upon the request of the court was to be treated as the report of a master in chancery. If that is the case, I commend the gentleman and the committee, because it seems to me that that is not only a very ingenious and very expeditious method of treatment, but it is entirely within the powers of every court in every instance where a court desires to have before it in a case of equity a report from a master in chancery. It has a very large discretionary power. It is not bound to accept the report of the master in chancery, neither would the court here be bound to accept the report of the commission. But it might act upon it and use it, and it seems to me that that is not only perfectly legal, but a very expeditious and well-informed method of getting the information before the court.

Mr. COVINGTON. The last three or four lines, specifically providing for the reference, were actually taken, in substance, from the recent rules of the Supreme Court providing for references to masters in chancery.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Maryland yield to the gentleman from Illinois?

Mr. COVINGTON. Yes.

Mr. MADDEN. I would like to inquire as to the procedure where a case was brought in equity and the court, in view of the testimony, if it deemed it proper to refer it to the commission, did so refer it, whether the commission has any power to take such testimony except that testimony already taken by the court?

Mr. COVINGTON. Absolutely none. There was no question in the committee but that such a course would constitute a bald invasion of the constitutional rights of the defendant. He would not have his day in court. It does just what Judge Towner has so accurately expressed—it has provided this machinery in a rather happy way and imposed on the commission practically the function of a master in chancery.

Mr. MADDEN. I was afraid that the words "refer said suits to the commission to ascertain and report" gave the commission power to take evidence.

Mr. COVINGTON. No. That language is universally accepted by the courts to mean simply referring the actual record papers in the case.

Mr. MONTAGUE. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Maryland yield to the gentleman from Virginia?

Mr. COVINGTON. I do.

Mr. MONTAGUE. I am interested in the gentleman's statement. In order that the matter may not be misunderstood, although my colleague has expressed it clearly, the committee should observe this language:

If it—

That is, the court—

shall be then of opinion that the complainant is entitled to relief.

In other words, the court has reached an opinion, and the reference is not upon subsequent evidence, but upon the existing record at that time, in order that the decree may be effective in carrying out that opinion.

Mr. COVINGTON. That is precisely the condition that will exist. The judgment of the court will already have been arrived at. The reference will be after the decree is determined to be entered against the defendant.

Mr. MADDEN. I am not a lawyer, but a business man, and am one who might possibly be affected by an investigation of the commission at some time. I was afraid that they might have the power to take evidence that had not already been given in the court.

Mr. FOWLER. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Maryland yield to the gentleman from Illinois?

Mr. COVINGTON. I yield for a question.

Mr. FOWLER. The point brought out by the gentleman from Virginia [Mr. MONTAGUE] is the very point that impressed me as the reason for delay. After the court has made up its mind that relief ought to be granted, then if it is referred to another body it occasions an opportunity for delay, and that is the question that was worrying me in the matter.

Mr. COVINGTON. I appreciate the good intentions of the gentleman from Illinois, and I know what is running through his mind, but the committee was abundantly satisfied that delay would not be the actual result in practice.

Mr. ADAMSON. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Maryland yield to the gentleman from Georgia?

Mr. COVINGTON. I yield to the gentleman from Georgia.

Mr. ADAMSON. It is customary, after the court has arrived at a general conclusion in the case, that the attorneys of the case should participate in drawing the decree, and they do usually participate in drawing it, do they not?

Mr. COVINGTON. They do, as a matter of fact.

Mr. ADAMSON. Now, when attorneys have some difficulty in agreeing upon the form of the decree and the court and attorneys have some embarrassment about it, they will find in this commission a body of very able men, conversant with the subject and fully acquainted with all the details of the business which is before the court, and is it not exceedingly appropriate that for that reason the form of that decree should be referred to such a board as that, in order to aid the court and the lawyers in its preparation?

The Senate Committee on Interstate Commerce in its report to the Senate on February 26, 1913, on this subject, said:

One of the most serious problems in connection with suits brought under the antitrust act is to find the proper method of disintegrating combinations that have been adjudged unlawful. The dissolution of a corporation or a series of associated corporations must often involve the consideration of plans for reorganization in order that the property which has been unlawfully employed may thereafter be lawfully used in commerce. The courts are not fitted for the work of reconstruction, and whatever jurisdiction they now have or that may hereafter be conferred upon them with respect to such matters, it can not be gainsaid that a commission the members of which are in close touch with business affairs, and who are intimately acquainted with the commercial situation, might be extremely helpful in the required adjustment.

And in referring to this section in the pending bill one of the most experienced trust prosecutors of the Government has recently said:

This is a most useful provision. Many of the suits instituted under the antitrust laws cover the entire range of an industry, and where combinations complained of are adjudged unlawful the working out of the appropriate relief often involves intricate problems of trade, finance, and economics. It would be a great relief to the Department of Justice and to the courts if it were possible to refer such problems to such a body as the proposed interstate trade commission.

Mr. Chairman, let me now take up another important function. The commission is required upon its own initiative by section 13 to see that the execution of any decree against any corporation to prevent or restrain a violation of the antitrust acts is effective. It has been repeatedly said by authorities upon this subject that there must be some independent and impartial body charged with the duty to see to the continued performance, subject to the direction of the court, of such decrees. The commission is to make investigations whenever necessary for the purpose of enforcing that effective disintegration of a combination in restraint of trade contemplated by the decree of court, and it must transmit to the Attorney General a report showing the manner in which the decree is being carried out so that application may be made at once to the court for any supplemental order necessary to the proper and continued enforcement of its decree.

Mr. MADDEN. Now, if the gentleman finds a corporation which had been dissolved violating the decree, would it be the duty of the commission to report that case to the Attorney General?

Mr. COVINGTON. The bill so states, and the Attorney General would then, in the usual procedure appear in court and ask an order to have the appropriate corrective process, by a proceeding for contempt or otherwise, adjudged against those who had been guilty of the violation.

That this is regarded by informed persons as a most vital function, I quote from an article by Mr. Samuel Untermyer, the widely known New York lawyer, in a recent number of the North American Review:

It should be the province of the trade commission, and of the Interstate Commerce Commission in the case of railroads, to perform for the courts the burden of framing plans of segregation and readjustment of unlawful combinations, subject to the approval of the court, and to

retain jurisdiction, under the direction of the court, so as to see the proper enforcement of the decree. Until we have such a body charged with that duty there will be no such thing as an effective dissolution of unlawful combinations.

And The Outlook of February 14, 1914, while urging other functions for a trade commission consistent with the Progressive Party theory of licensing monopoly, at the same time declares, as one of the most important functions of such an independent body, that—

Whenever by a decree of court a combination is declared to be monopolistic and is ordered to be dissolved, the Federal trade commission should be given the authority and duty of administering the decree of dissolution, with full power to decide what it is necessary for the combination to do in order that the purpose of the decree be carried out.

And the same able attorney for the Government in trust cases above quoted, in referring to this proposed power says:

The usefulness of this provision is patent. Complaints are frequently made of alleged violations of decrees entered in suits under the anti-trust act, and their investigation would be greatly facilitated if made one of the principal duties of a permanent body clothed with power to require witnesses to testify and to compel the production of books and papers. As the law now stands such complaints must be investigated by agents of the department without the aid of compulsory process.

Mr. SCOTT. Will the gentleman yield?

The CHAIRMAN. Does the gentleman yield?

Mr. COVINGTON. I yield to the gentleman.

Mr. SCOTT. Aside from this power conferred by section 13, following the final decree, is it claimed for this bill that the commission to be created possesses any other inherent powers than those now possessed by the Bureau of Corporations?

Mr. COVINGTON. I have stated three very distinct, broad powers not now possessed by the Bureau of Corporations.

Mr. SCOTT. Perhaps the gentleman does not understand. I would not classify as inherent powers the powers stated by the gentleman. For instance, the powers initiated by the President or the Attorney General, or to be exercised only upon direction of those officials, can hardly be said to be inherent. True, the commission performs certain functions after the action has been initiated by these other officers, but has the commission any other power than the present power in and of itself, acting upon its own initiative, outside of section 13?

Mr. COVINGTON. Oh, yes. If the gentleman was present during the earlier part of my remarks he must recall that I pointed out, at least to the best of my ability, that the power to gather the annual reports and the special reports which are to comprise the great body of information, producing that publicity which a great many men in America believe will be a great and salient safeguard for honest business in the future, is not a power now possessed by the Bureau of Corporations. It can not classify corporations nor segregate the smaller concerns into those classes which ought not to be burdened by the requirement for reports, while at the same time requiring reports from those which, notwithstanding their smallness, are so operating as to need that great check which would come from publicity of their acts.

Mr. TALCOTT of New York. If the gentleman will yield, I will simply remind the gentleman from Iowa [Mr. SCOTT] that the gentleman from Maryland [Mr. COVINGTON] has already said that the power exercised under section 13 was exercised on the initiative of the commission.

Mr. SCOTT. I mentioned that. I will say to the gentleman that I was present during all of his remarks, and I thought I followed him quite closely; but it occurred to me that an examination of the section to which the gentleman referred showed that that was not a power of the commission at all, but a provision of the statute imposing those duties upon the corporation; and the corporation does not act in response to a requirement of the commission, or under any power exercised by the commission, but under the direct requirement of this statute. And in that respect the power of the commission is not enlarged.

Mr. COVINGTON. If the gentleman dwells upon that technical construction which differentiates between the powers inherent in the commission and the imperative duties to be performed by corporations at the instance of the commission, that is true. But I take it that in legislating in a broad way the true test by which such a bill as this must be judged is whether there are or are not in it valuable provisions guaranteeing to the American people, either through the inherent power of the commission itself or through the legislative provisions of the bill, which fasten on the corporations specific duties, effective powers which make for the welfare of the people and safeguard their interest as against the unlawful aggressions of the big corporations of this country. I know the gentleman would not want to split hairs on whether or not these are inherent powers when he comes to reflect.

Mr. SCOTT. I hope the gentleman will not think that I am criticizing the bill, but it occurred to me that it was quite material to be considered whether or not these obligations that are imposed on the corporation by the law were to be enforced by a commission or whether it stands as a mere statute to be enforced through the courts in the ordinary way.

Mr. COVINGTON. There is a penalty to be enforced through the courts. I see the gentleman's point of view.

Mr. ADAMSON. Will the gentleman yield?

Mr. COVINGTON. Certainly.

Mr. ADAMSON. Will the gentleman tell me how it is possible for this proposed commission to have any inherent power? Is it not entirely dependent upon the provision of law creating it for all authority?

Mr. COVINGTON. I assumed that the gentleman from Iowa meant inherent in the sense of any power that we conferred upon the commission.

Mr. SCOTT. Certainly.

Mr. ADAMSON. Does not the gentleman from Maryland think, and did not he write the provision with that view, that it will be the duty of the commission, if the bill goes through in the present form, to keep itself thoroughly posted under the law at all times as to the condition and all the details of all the business institutions in and above the class that is made the minimum in the bill?

Mr. COVINGTON. Yes.

Mr. LEVY. Will the gentleman yield?

Mr. COVINGTON. I will.

Mr. LEVY. Is there any way under this bill by which you can avoid the interference of all these investigators at once? For instance, the Attorney General and the Interstate Commerce Commission, the Interstate Trade Commission, and the Department of Labor might all at one and the same time investigate the same corporation. Is not there some way by which you can provide that an investigation shall be made only by this commission? For instance, we have in New York 13 or 14 inspectors of buildings, and very often they all come to inspect the property at one and the same time. Now, I am not criticizing the gentleman's bill, but I want to know if there is not a way by which the Interstate Trade Commission can take the responsibility of all these other investigators and make the investigation, instead of having three or four made at once?

Mr. COVINGTON. When the bill goes into effect and the commission is appointed, it will be the only body that will have power under the Federal Government to make any investigations into the interstate-commerce business of corporations.

Mr. MADDEN. Is it intended to have some uniform method of summarizing the reports?

Mr. COVINGTON. Mr. Chairman, I will state that the commission in one section is given ample power to formulate uniform rules and regulations for the entire operation of its work and for everything pertaining to its investigations and reports.

Mr. MADDEN. Not to endeavor to invade the methods of conducting business, bookkeeping, and that sort of thing?

Mr. COVINGTON. After careful consideration, the committee was a unit in the opinion that at this time the widely different methods of industrial business, their varied schemes of accounting, each sufficient, perhaps, to itself, would not permit this commission successfully to create a uniform system of accounting.

Mr. MADDEN. I am very glad the committee did not do that, because every line of business has its own particular line of accounting, and it would not fit into any other line of business in any way.

Mr. COVINGTON. That is precisely the opinion that this committee arrived at after quite an exhaustive discussion.

Mr. Chairman, on April 17, 1914, that very able independent newspaper, the Springfield Republican, said of this whole bill and its purpose for the benefit of the business people of the United States:

The majority of the House Interstate Commerce Committee wisely reports concerning the scope of the commission's powers, that only experience can be depended upon to develop them in accordance with the demonstrated needs of the country. The history of the Interstate Commerce Commission in relation to railroads shows a gradual evolution of function which could not wisely have been hastened by arbitrary legislative fiat. The development of the interstate trade commission may well be left to future requirements and the unmistakable demands of the people.

Mr. Chairman, as I stated in the report presented to the House on this bill, the commission has in no sense been empowered to make terms with monopoly or in any way to assume control of business. Such matters are of a most delicate, complex, and doubtful nature, and their advocates seemed all too desirous that the Government should make itself initially responsible for corporate activities conceived perhaps with such subtlety that the dangers to the public might develop only after sad experience. There has been no attempt to deal with the question of maintenance of fixed prices. The commission has been given no power to pass orders in any way regulating produc-

tion. It has not been clothed with authority to make a declaration as to the innocuousness of any particular corporation or agreement, even if coupled with the right to revoke such order in the future.

All those problems are interwoven with the industrial business of the country in such a way as to be effectively legislated upon, if at all, only after the most exhaustive investigation by trained experts. The hearings before the Senate Committee on Interstate Commerce of a year and a half ago and the hearings before this committee during the pendency of the present bill did not produce any information which would warrant an attempt at an intelligent and sound legislation upon them.

It must be remembered that this commission enters a new field of governmental activity. The history of the Interstate Commerce Commission is conclusive evidence that the best legislation regarding many of the problems to come before the Interstate Trade Commission will be produced from time to time as the result of the reports of the commission after exhaustive inquiries and investigations. No one can foretell the extent to which the complex interstate business of a great country like the United States may require, alike for the benefit of the business man and for the protection of the public, new legislation in the form of Federal regulations, but such legislation should come by a sound process of evolution. Even the control of the railways in this country by the Interstate Commerce Commission affords no complete parallel to administrative control of the industrial corporations of the country by a Federal commission. It is largely the experience of the independent commission itself that will afford Congress the accurate information necessary to give to the country from time to time the additional legislation which may be needed.

There has already come an awakened public conscience to correct the shortcomings and evils of government that have grown up in America as a result of that smug complacency which seems to have gone hand in hand with our tremendous material progress and prosperity. The people have come to a better understanding of the genesis of our institutions, and they realize that our country's greatness must consist, not merely in the wealth of its inhabitants, not in the extent of its territory, but in the capacity of its citizens to maintain justice and liberty through the agency of self-government. The vast majority of the evils still existing in the industrial world will be in the future corrected by that pitiless publicity which will make the man of devious ways an object of reproach among his fellow men. Where publicity fails to be a sufficient corrective I think we have provided, in the proposed bill to create the Interstate Trade Commission, ample powers to promote beneficent legislation and to aid the existing administrative machinery of the Federal courts to an extent not now anywhere authorized.

If this commission shall be created, the clear vision, ripe experience, and abiding patriotism of the President can be depended upon to select for its membership men of the character and capacity to make it in its field as great a success as the Interstate Commerce Commission. And the country may with full assurance feel that it will perform services that will be of inestimable advantage to the business and the future of the country. [Applause.]

Mr. STEVENS of Minnesota. Mr. Chairman, I ask to be notified at the end of 20 minutes.

The Republicans upon the Committee on Interstate and Foreign Commerce realized that there was a severe responsibility upon them; that the general subject concretely presented in this measure had been discussed before the country for several years; that the establishment of a trade commission of some sort had been generally acceptable to the business world; that the leading publicists, economists, and men of affairs, whose judgments are of consequence in our country, had almost unanimously advocated such a plan; and especially it had been approved by the leaders of the Republican Party. President Taft in his messages in 1911 and 1912 especially recommended a plan for national control and incorporation of concerns doing an interstate business, and the Republican national platform of 1912 also in a plank especially recommended the creation of a commission with somewhat the powers that are contained in this bill. I insert the plank of the Republican platform, as follows:

FEDERAL TRADE COMMISSION.

In the enforcement and administration of Federal laws governing interstate commerce and enterprises impressed with a public use engaged therein, there is much that may be committed to a Federal trade commission, thus placing in the hands of an administrative board many of the functions now necessarily exercised by the courts. This will promote promptness in the administration of the laws and avoid delays and technicalities incident to court procedure.

The Republican platform went a little beyond the provisions of this measure in evidently intending some administrative sections in the bill. The Republicans of the committee did not feel authorized at this time to strongly insist upon any such concrete provisions, much as some believed in their efficacy and necessity. We could all agree upon a commission which should have the most ample power to require reports, conduct investigations, secure publicity, assist the courts, give information, and study and recommend suitable legislation.

Attorney General Wickersham, as the gentleman from Maryland [Mr. COVINGTON] has stated, in his report for 1912 recommended some phases of this bill which have been most valuable, and the report of the Senate Committee on Interstate Commerce in 1911 outlined the substance of this measure, which met general acceptation. There is nothing novel or startling here, but it is the beginning of a most beneficent plan for the real relief of the business affairs of this country if it shall be established and administered in the spirit with which your committee has reported it to you.

As the Republican members of the committee stated in their minority report:

For many years all legislation in this committee has been considered upon its merits, without regard to partisan lines or influences. The subject matter of this bill was recommended to Congress by the President and has been properly made a matter of importance by the present administration. The Republican members of the committee realized the great interest in it by the business organizations and thoughtful citizens interested in the public welfare, as well as its consequence and opportunity for good to the people of the country. Thus its consideration has proceeded with a sincere desire on our part to assist in the preparation of the legislation along the lines which would seem to meet both the public expectations and necessities, and yet not be oppressive so as to injure individual effort and initiative.

The majority members of the committee have freely conferred with the members of the minority and have received their cordial cooperation in the formulation of this measure. The legislation as reported is such in general as we approve, although individual differences necessarily exist as to the wisdom and scope of some of its provisions and details.

So that the minority members of the Committee on Interstate and Foreign Commerce were very glad to cooperate with our friends of the majority in the framing of this legislation, and especially those of us who were on the subcommittee, the gentleman from Wisconsin [Mr. ESCH] and the gentleman from California [Mr. J. R. KNOWLAND], are very glad to state to the House that our ideas and theories and our services were very courteously received, and that we did cooperate very sincerely in the framing of this measure, and are very glad to support it as a general proposition. There may be some details, as we stated in our report, which we may call to the attention of the House, but as a general proposition we are very glad to cooperate and support it. But there is another suggestion which should be had in mind—not only is this along the line of Republican suggestions and of true Republican doctrine, but we realize that our Democratic brethren have a right to borrow from our stock whatever they may think of value. We can not complain if we would at this administration taking possession of our property. Not so very long ago some of our Republican administrations had been accustomed to abstract some of the treasures of your Democratic platforms without any especial credit for it, and we turned them to our advantage without any thanks to you. So turn about is fair play. [Applause.]

SUPERVISES METHODS.

The particular reason why this measure should be considered at this time is this: This bill supervises the mechanism and the methods of trade, the movement of goods or commodities, from the man who produces to the man who consumes them. This mechanism and these methods and these commercial processes are the very essence of trade. This exchange is the essence of material civilization itself by which men get along one with the other and assist each other in human progress. The various appurtenances of such trade and exchange have been under supervision and regulation for years by the National and State Governments. Transportation has been regulated by the Interstate Commerce Commission, finance is now regulated by the Treasury reserve board, and for years past the Treasury Department, in a way, through its internal revenue has regulated many other business activities. Then we have our food and drug acts, those regulating the weights and measures, and many other activities, incidents, or appurtenances of commerce have been regulated or supervised by the National Government. But this measure reaches to commerce itself, to its machinery and methods and processes by which it exists and flourishes and confers its inestimable blessings, or, on the other hand, is misused for purposes of extortion and oppression.

Other nations have done this before us, and have had some similar supervisory authority and have established administrative bodies to correct admitted evils and oppressions in the domain of commerce. Some of the States also have done this, as has been very thoroughly shown by the Committee on the Ju-

diciary in their collection of statutes of States and foreign nations. So that it is now incumbent upon the National Government to do its share for the enlightenment and protection of our trade and people in interstate and foreign commerce, embracing a large majority of such activities in the daily life of our Nation.

PRESENT NECESSITY.

The necessity is now pressing. Our people now number nearly 100,000,000, and are the most active and aggressive in the world. They have become educated and broadened so that their desires and necessities have increased in a vastly greater ratio than their numbers. Our means of communication and transportation have developed so very rapidly that our domestic commerce is equal to the foreign commerce of the whole globe. The inventions used and practiced in the arts and sciences have multiplied infinitely with the last generation. Our matchless resources have been developed so tremendously that gigantic organizations have seemed necessary to profitably, or at least adequately, carry on the business affairs growing out of such stupendous growth, to supply the wants and necessities and possibilities of our people. Vast wealth has been accumulated, especially in the hands of a few, irresponsible except to their own consciences and sense of justice and patriotism, and these powers have become so concentrated and involved that disentanglement is extremely difficult.

From this situation the great mass of our people have a very just apprehension that this wealth, and power growing out of it, may be not only used to the detriment but also may be a potential source of injury and oppression.

Nobody is particularly blamable for this condition. It has been a necessary coincident with the tremendous growth of our country and its business affairs.

The National and State Governments have fostered these processes and yet have not sought to adequately curb the abuses. This measure should be an intelligent beginning.

It is time that we knew exactly what the facts are and have the machinery to keep in touch and step with any future development, so that there may be considered and formulated the proper public measures for protecting our people and the general business interests of the country, because we conceive that business itself needs such information and protection equally with the mass of the people.

Most citizens are patriotic, honest, fair, and broad-minded, and desirous of doing right. But we all realize that there must be a few irresponsible, greedy, unscrupulous, and capable men who will use all of these vast agencies for their own selfish ends. This necessarily compels their competitors to adopt somewhat similar means in order to maintain themselves. So that unless some higher power, like the Government, intervenes and protects and encourages the good citizens, oppression and disaster necessarily result.

This bill does exactly those two things. It furnishes a means of information for the people, the business interests, and the Government and its officials; and, secondly, it outlines as clearly as may be legislation for administrative guidance and assistance wherever it may be found necessary.

PROTECTS INSTITUTIONS.

Mr. Chairman, this bill may delve even deeper than merely such guidance and assistance.

The very foundation of our institutions may be protected by a measure of this kind. Republican institutions, free institutions, can only exist where the people are intelligent, self-controlled, satisfied that they are having a fair chance in life, devoted to our institutions, and fairly well contented with existing conditions and prospects for the future. Unless these conditions do exist, the people do not and can not believe in their institutions and the Government based on them. Unless they do, free institutions can not last. We know that there is a spirit of unrest abroad. We know that there is a prevalent dissatisfaction with existing conditions and prospects for the future at the hands of the responsible servants of the people. The people have the right to look to us to ascertain what evils there really are and what remedies may be necessary, and at the same time preserve the inestimable blessings of our system of government and the wonderful efficiency and progress of our business affairs. This measure, by furnishing a medium for acquiring the information which has been outlined so ably and comprehensively by the gentleman from Maryland [Mr. COVINGTON], by opening the avenues for guidance and assistance, by outlining opportunities for cooperation, by regulating the efficiency of our organizations and institutions so that the people can get the benefit of that efficiency, can maintain a prosperity for the masses of our people, can assure them that their Government continues for their benefit, can assure stability and harmony and in such way conduce to the general satisfaction with our institutions. This may be only a dream, but it is one of the possibilities of hope, latent in this apparently simple measure.

ECONOMIC STUDIES.

This commission, established by this bill, must undertake in the near future some lines of research of inestimable value to our people and their business methods. If most of us thought that this measure would remain as it now stands, as a finality, I have no doubt that none of us would approve it, because the Bureau of Corporations could be extended to accomplish the express requirements of this bill. We believe that it is to be the beginning of something which will work out for the lasting benefit of the American people, and that it must lead the way with intelligence, sincerity, and a patriotic and practical broad-mindedness in setting forth some solutions of our troublesome, intricate, and possibly dangerous social and economic problems. We realize that we have a most complex political and industrial organism, probably the most complex in the world, to carry on the most intricate and tremendous daily business of our people, and that this commission will touch the nerve center of this great complex national structure. We realize there are vast economic and social forces constantly changing conditions, as the material and human bases change. What can this commission do to enlighten and lead us as to them? To me it would seem that this commission must undertake at once two classes of investigations and studies: First, what must be done with the economic, social, and political situations in this country as regulated by the Sherman antitrust law; and, secondly, whether the best way to handle this complex corporate situation must or not be through direct national control by a national act of incorporation for concerns doing such a business. First, as to the Sherman antitrust law, I think we all realize the fundamental soundness of it and that it is probably the best drafted statute designed to accomplish the contemplated results which has ever been placed upon our statute books.

SHERMAN ANTITRUST LAW.

The general beneficent purposes of it must not be abandoned and should not be radically changed. But this commission can profitably consider whether something can be worked out for the benefit of the whole people which should increase the general national efficiency as well as more surely provide for improved protection and justice. But the basis of the statute must continue, as its fundamental principle for centuries have, as the foundation for the well-being and well-doing of our citizenship and their material industry. In its form the Sherman antitrust law can not be well improved.

It is comprehensive; it is clear; and, considering its scope, it is strong and certain when one understands its history and its construction and interpretation by the thorough analysis of our courts for nearly a quarter of a century. No one can question but that it has been of inestimable benefit to our people, and that it has saved us from great evils. Some of these conditions yet exist, and will always exist so long as does human nature, with its greed, ambitions, and infirmities. So that the strong, restraining force of such a law is clearly necessary to protect the welfare and opportunities of the mass of the people. Yet at the same time there have arisen social and economic questions in consequence of such a statute which now thrust themselves upon us and we must heed them. Testimony has come before your Committee on Interstate and Foreign Commerce and the Judiciary that there is an economic side to these regulatory measures which is pressing upon us. Any comprehensive, repressive statute like the Sherman antitrust law may not be entirely economic in all of the operations, and in many instances it may be construed to impede the necessary progress or diminish the necessary rights and privileges of our people and their daily business. So that one of the first things which this commission must investigate and report to us is what, if anything, should be done concerning a modification of the Sherman antitrust law. Let me illustrate some of the ramifications which have appeared in the discussions before our committee and, I think, before the Committee on the Judiciary, as I have examined their hearings.

MODIFICATIONS.

The leaders of labor claim that their natural, God-given right to cooperate for their mutual protection and benefit is practically taken away from them, as this act has been construed. They claim, and justly, that such cooperation is necessary for their protection and that of society, and so demand that they shall be exempt from the operations of the Sherman antitrust law. Every patriotic citizen desires the best possible opportunity for the wageworkers of this country to cooperate for their own welfare. They do not desire and no one desires for them that such organizations shall be used oppressively to the great mass of the people. So the proper modification should be care-

fully investigated, to encourage necessary protection and yet not allow oppression. The farmers and the agricultural organizations also insist that they shall be exempt for the reason that it is necessary for their welfare and the general welfare of this country that they should cooperate to get their products to market properly and to the best advantage of all. The retail organizations of this country appeared before us, and I think also before the Committee on the Judiciary, and asked that they be allowed to have a modification of the Sherman antitrust law so that they can make trade agreements and maintain themselves in competition with the chain stores and the department stores and the other organizations which are slowly crushing the independent retailers and smaller merchants of the country. The druggists and grocers and other organizations of that kind made very impressive arguments as to why they too should be allowed to have some trade agreements.

Certain classes of manufacturers producing specialities presented reasons why they should have a right to make trade agreements to maintain the quality of their goods and maintain equal prices to consumers everywhere and at all times, so that everybody should be assured of equal treatment in the use of their products. The exporters also appeared and showed the necessity of maintaining suitable and adequate organizations and utilize trade agreements as to our export trade, so that our people and our exporters could compete on equal terms with those of other nations in the markets of the world. Other nations strongly and efficiently assist their export trade in many ways. This Nation can not afford to lag behind, and our exporters insisted that something must be done to give them the right standing and proper governmental protection in competition with foreign concerns, which are encouraged by their Governments to make any sort of combinations and agreements necessary to secure the world's business. These conditions are entirely different in this struggle for foreign business than as to our domestic affairs.

We have had experience among the users of water power, who insist that they must also have some modification of the economic principle of the Sherman antitrust law, that our great water powers should be developed economically, so that capital can be persuaded to invest and utilize our natural resources for the benefit of our people. We were shown that unless this can be done it will be impossible to secure capital and economically utilize this most important and valuable natural resource.

The producers of coal and lumber made very impressive statements to your committees, showing that because of excessive competition and inability to make proper trade agreements large waste was necessary in both lines of industry; that in order to cheapen production under such stress of competition a considerable portion of coal and lumber could not be profitably taken from the mines or forest and marketed to advantage. If trade agreements could be had under proper supervision, this waste could be avoided and there would be large savings of our natural products, with the resultant benefits to our people by preserving a considerable portion of our natural resources. An estimate of some of the coal miners was in many localities that nearly one-half of the possible production was wasted in this way, which could be saved by proper trade agreements. This is of immense importance, as we all realize. We know that public carriers are forbidden to make trade agreements, and yet are practically obliged to maintain the same schedules of rates in traffic, which must be just and reasonable for all, between competing points, in order to avoid rate wars, which were not only the ruin of the carriers but also were of the greatest injury to the affected communities.

You will realize that these are very serious economic questions, which must be considered by this commission at once, but not too hastily, as they touch the very foundation of our business affairs. You can realize from this slight summary that this is only a beginning of a tremendously important work for this commission for the people of this country.

NATIONAL INCORPORATION.

Then there is another branch of the problem which must be studied: What is the effect of the diverse incorporation laws of our States in working out the business welfare of this country and the control of the evil practices? Shall there be allowed to continue the present system by which the States have the sole right to incorporate and prescribe the powers and limits of corporate activities, with the temptation, for the sake of getting some local business, to encourage the use of too ample and diversified corporate powers; or should there be a national incorporation law so that the Nation itself can control its interstate and foreign business as best suited to a nation's welfare? The powers and limits of incorporation may be the very basis for wrongdoing or of successful conduct of business. What would be the best policy for the control of these great business concerns having in view the interests and welfare of the whole people? My own judgment is clear that the national authority is necessary and that we should have an affirmative action or pressure upon them, rather than to rely and exercise only a negative control by means of rigid and often uneconomic prohibitions. This can be worked out intelligently and, I believe, acceptably by such a trade commission.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Minnesota yield to the gentleman from Illinois?

Mr. STEVENS of Minnesota. Certainly.

Mr. MADDEN. Would that require a constitutional amendment?

Mr. STEVENS of Minnesota. I think not.

Mr. MADDEN. Would the National Government have the right to take away the power of the States?

Mr. STEVENS of Minnesota. No; not take away the power of the States, but just give permissive authority to the business interests to incorporate where the National Government has such special jurisdiction as it has over interstate and foreign commerce. I think there can be no doubt about that.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Minnesota yield to the gentleman from Georgia?

Mr. STEVENS of Minnesota. With pleasure.

Mr. BARTLETT. Can the gentleman tell us what rights have not been taken away from the States?

Mr. STEVENS of Minnesota. I agree with the gentleman from Georgia in his suggestion, but I do not care to discuss that question at this time. The most of them that have been taken away have been recently taken away by the gentleman's own side of the House. [Laughter on the Republican side.]

Mr. BARTLETT. I realize that there are getting to be more State-rights Republicans than there remain State-rights Democrats. [Laughter.] Will the gentleman permit another question?

Mr. STEVENS of Minnesota. Certainly.

Mr. BARTLETT. The gentleman referred to the Sherman antitrust law and its power and efficiency. Is it not a fact that in the judicial history of that law there has never come before the courts a case of alleged violation of the antitrust law to be considered where the law has not been maintained and where the corporation has not been decided against? Is not that true, except in the Knight case?

Mr. STEVENS of Minnesota. Yes; except in the Knight case.

Mr. BARTLETT. And that went off on a question of jurisdiction and not upon a question of law.

Mr. STEVENS of Minnesota. Yes. If the pleadings had been properly framed it probably would have been decided differently. At least that is the general expression.

Mr. BARTLETT. So that this law that has been for 24 years on the statute books has, during its 20 years in the courts, been established as an effective weapon in the hands of the courts and in the hands of the people for upholding the principles embodied in that antitrust law?

Mr. STEVENS of Minnesota. There can be no question about that.

Mr. BARTLETT. So that does no the gentleman think—I think so myself—that we ought to be exceedingly careful, after that law has been thus administered and thus interpreted and thus construed, how we venture upon new and untried fields, where the courts must again enter upon a domain of investigation and decision?

Mr. STEVENS of Minnesota. I am very glad that the gentleman has called attention to that situation, because it is exactly what the committee had in mind and I was trying to state. I have called the attention of this committee to some of the phases of our commercial activity that do necessitate examination by the commission. But we are confronted with these economic and social considerations. We realize there may be too rigid prohibitions against cooperation, which may result in injustice to labor and producers and waste and inefficiency in other lines of production. No one desires that. We realize it will not do to allow the bars again to be thrown down and all sorts of combinations and agreements allowed to be made and flourish. Now, what can we do in the general interest and for the general welfare of the whole people, to allow such cooperation as shall preserve the good without encouraging the bad elements of society, and what sort of restriction must we have for the bad which will not at the same time repress and eliminate the good? That is exactly the problem which must be put before such a commission at the outset. It must find some method of separating the sheep from the goats. Negative pro-

hibitory legislation has not proved effective or satisfactory. Affirmative legislation may be worse unless framed with the utmost care, intelligence, fairness, and patriotism.

I believe this commission should blaze the way for such a consummation. That is my chief hope and desire in the formulation of this measure.

At the same time I realize fully the tremendous force of what the gentleman from Georgia [Mr. BARTLETT] has just stated. There should not be any modification of the exceedingly effective Sherman law, until after the right kind of a commission had investigated the whole situation with the utmost care and indicated what could be done and what bounds should be set to any modification, because I think we all agree that the welfare of our people requires that the general principles of the Sherman law must be maintained; and if any modification is made, we must determine what can be done, and an adequate administrative authority must be created to supervise and regulate those who might operate under them.

Mr. BARTLETT. And that is in the interest of the people and not in the interest of the corporations.

Mr. STEVENS of Minnesota. This must all be done with an eye single to the welfare of the people, and not in the interest of anyone who may desire these modifications. That has been the difficulty in all of this class of legislation. We have heard from those whose personal interests lie in making these modifications. We should have the experienced judgment of an expert body as to the effect on the people at large of any proposed change before we could adopt it. I believe such to be necessary, and I am glad of this suggestion of the gentleman from Georgia.

Mr. BARTLETT. And the course which the gentleman suggests is not a course that is in the interest of the corporations, but in the interest of the people themselves. Having found a good law, and it being enforced, we ought to be careful not to change it in such a way as to make it less effectual.

Mr. STEVENS of Minnesota. No change ought to be made unless it is clearly shown to be in the interest of the people and clearly regulated, so that we may be sure it is within the proper bounds and in the public interest. My own idea is that not only must an expert commission study and outline first the changes which could and should be made in the interest of the whole people, and not merely those who ask for it, but there must be some restrictions and limitations and administrative supervision in the interest of the people before we can safely make any changes. What these must be should be carefully worked out in advance and the consequences realized before we leap.

Congress and its committees have not the information or the time or the environment to properly do this. We should have at hand the best possible official advice, assistance, and cooperation and then know that the duties we prescribe will be properly performed. This is too serious a matter for us to go aflight without consideration. It is easy to promise the interested parties, and be a good fellow, and let down the bars to all who clamor to be exempt from the rigid requirements of the Sherman law; but it seems to me a patriotic duty upon us, as the representatives of the whole people, to insist upon intelligent and conscientious study, discussion, and protection to the great mass of the people before we make any serious changes.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. STEVENS of Minnesota. I yield to the gentleman from Iowa.

Mr. GREEN of Iowa. Do I understand the gentleman that the question whether the Sherman law should be modified with respect to these matters of which he has spoken will be a part of the work of the commission?

Mr. STEVENS of Minnesota. Yes; in the line of investigation of the work of corporations and the processes of corporate activities and practices.

Mr. GREEN of Iowa. Do I understand the gentleman further that the bill now before us provides for that?

Mr. STEVENS of Minnesota. Practically; yes.

Mr. MONTAGUE. It provides for investigation and reports.

Mr. STEVENS of Minnesota. Yes.

The CHAIRMAN. The gentleman from Minnesota [Mr. STEVENS] has consumed 20 minutes.

Mr. STEVENS of Minnesota. I will be obliged to the Chairman if he will call my attention when I have consumed five minutes more.

The Interstate Trade Commission will have plenary power to investigate under the acts now existing as to the Bureau of Corporations. It can obtain any sort of information it may find necessary under that section. But it can also obtain any sort of information under section 9 which annual or special reports can furnish, and it is granted the right to have expert assistance within or without the governmental service to pursue this line of research and study and recommendation. All branches of the Government can contribute to its tasks. The Interstate Commerce Commission can enlighten as to the effect and the problems of transportation; the Treasury and its agencies as to the financial situation and as to corporations. The Department of Commerce can assist as to statistics and whatever may be necessary as to the machinery of commerce. The Departments of Interior, Agriculture, Labor, Post Office, and Justice can all assist, and outside experts can be made available. Thus the machinery and means for a proper study of these most important subjects have been provided in this measure, and this commission directs them all to do it. It must be done, and now is the opportunity to have it properly done.

Mr. BARTLETT. Under section 17, which specifically gives this commission the power, and requires them also to report, it is provided that the report shall also include recommendations as to such additional legislation as the commission may deem advisable.

Mr. STEVENS of Minnesota. Yes. It is perfectly clear that the real object of this commission is to study these economic questions and the incidental questions which grow out of them, such as the relative efficiency between big business and little business, between cooperation, combination, and competition, if there can be any differentiation in the studies as to these methods. The Bureau of Corporations is already studying these subjects. They are being discussed all over the country, and have been discussed more or less before our committee. But this new commission will undoubtedly discuss and consider them at an early date and give whatever information it can to assist us and the people in working out their industrial salvation.

There has been set forth more or less in various discussions the different views as to competition and cooperation and combination in preserving industrial activities. The commission will be obliged to investigate and consider those phases of our industrial situation; not to lay down any hard and fast rules, because that is the one thing we do not desire to have done, but to present the various phases of the question to the public and to Congress, so that the industrial classes of this country and the business classes of this country can know what is the exact situation—what is proposed and best to do, how it would work and how to protect themselves—and if legislation shall be necessary, then enlighten Congress exactly as to what ought to be done and what would be the probable results of our action. Especially, as I have said before, would it be necessary to establish suitable administrative and supervisory machinery to insure the proper results for the people.

Mr. METZ. In connection with section 2, on page 3, among other detailed matters, you provide that the expenses of members of the commission and employees shall be paid.

Mr. STEVENS of Minnesota. Yes.

Mr. METZ. In a recent appropriation bill we limited the expenses for officials of the Government to $5 a day. Take, for instance, the Board of General Appraisers. They are limited to that amount. Now, how will this commission stand in regard to that?

Mr. STEVENS of Minnesota. I presume it would come under the general law.

Mr. METZ. These men have to go all over the country, from here to San Francisco, and it is out of the question that they should be expected to travel and pay hotel expenses on $4 or $5 a day. It is a good thing to have that in mind in connection with this commission.

Mr. STEVENS of Minnesota. I am glad that the gentleman from New York has called that to our minds. I presume such an act would apply, and it might be burdensome. There is one thing to be also considered, and that is that it is extremely difficult to frame this sort of legislation in a satisfactory way if, at present, it contains any substantial or affirmative provisions. With all due respect to two eminent gentlemen who have delivered messages on this subject, the present Chief Executive and the one who preceded him, it is comparatively easy to prepare and read delightful messages on broad economic subjects from that desk. We all enjoy them and profit exceedingly from them. But it is a mighty different proposition to sit at a committee table and frame a bill which shall adequately meet the situations outlined in those messages.

There have been various criticisms of Congress in the public press and on the floor, that we are only rubber stamping the will of the Executive. I wish to say about the formulation of this measure that it was really perfected by the Committee on Interstate and Foreign Commerce, with all of its defects and all of its virtues. The subcommittee worked for weeks, and we received less assistance from the executive departments in formulating this measure than as to any great measure I have

known to come from that committee during my service of 12 years on the committee. [Applause.]

At one time I thought the executive departments had been somewhat remiss in extending their assistance, and I criticized them for not doing what I thought they ought to do to further assist the committee and the subcommittee in the formulation of the various intricate provisions of the measure. I realize that they desired to assist us, but they did not desire to press too vigorously their views upon us, but as requested they rendered all the assistance they could.

OBJECTIONS.

Now, there are two classes of objections to this bill which have been outlined so very ably by the gentleman from Maryland—one class, who think that we have not done enough, and the other class, who think that we have done too much.

As to the first, those who think we have not done enough, we have only this to say: In the first place, we did not desire to exceed the jurisdiction which the House conferred upon the Committee on Interstate and Foreign Commerce. We realize that the substantial parts of this subject were within the jurisdiction of another committee, and we did not desire to trench upon the prerogatives of any other committee of the House. But especially we did not believe we had sufficient information as to what substantive changes should be placed in a law of this kind until after a most careful and exhaustive investigation by a trained body of experts, such as provided by the bill itself. Such substantive acts would give rise to most important and delicate constitutional, economic, and social questions. So whatever changes should be made in the substantive law should be such as to advance the interests of and protect the people and not lead to uncertainty, harassing regulations, and rigid requirements without beneficial results. We did not think we could do this extremely important and intricate subject the justice it deserved within the limits of our time and information before us. That is one reason, and that is the one reason, we did not go further.

Again we realized, as the gentleman from Maryland stated, that we did not want to cast any cloud, at the present time, over the business affairs of this country. We wanted that this measure should be regarded as an assistance to business affairs, that it should give accurate information and be of genuine help, and for that reason just at this time, Republicans as we are, anxious for our party's success, realizing that the party in power is charged for good and evil, yet we wish to do all within our power to sincerely help the business affairs of this country. [Applause.]

We did not think under the present circumstances it was safe or fair to go any further. We may be obliged to do so before this bill shall be finally enacted.

ADVERSE CRITICISM.

Now as to those who think we have done too much. Undoubtedly you gentlemen have received circulars from the Chamber of Commerce and the Board of Trade and Transportation of the city of New York, two of the greatest commercial organizations in the country, protesting against this sort of legislation. They are eminent and able gentlemen, some of whom have testified before our committee, but they do not seem to realize that the world does move.

Mr. METZ. Will the gentleman yield?

Mr. STEVENS of Minnesota. Certainly.

Mr. METZ. I am a member of the Chamber of Commerce, and I want to say that that bill to which the circular relates was a former bill that was talked about and not the present bill at all. I believe there is no objection to this present measure on the part of anyone.

Mr. STEVENS of Minnesota. I am glad the gentleman has made that statement.

Mr. TALCOTT of New York. I think the gentleman who has been recently elected president of the Chamber of Commerce of New York appeared before the committee and strongly favored the bill.

Mr. STEVENS of Minnesota. Yes; I am glad the gentleman from New York called my attention to the fact. We are anxious to have the business institutions of this country know that we want to do something for their assistance. At the same time we want them to know that there is a responsibility upon them, that it is our business and our duty to locate, that it is our duty to find out, what is going on, and that the people of this country have the right to know about the business affairs of the country which bear upon the general welfare and necessities of our people, and whether or not, on the whole, they are being carried on for the interests of the whole country. That is our business as legislators to properly provide for, as we have done in this legislation. More and more business concerns are being impressed with a public use and thus come under public scrutiny. Business men must realize that fact and prepare for it. They may not like it, but such a theory is progressive and will be made effective in legislation and adjudication. Then business men and those interested in so-called private corporations must realize this fact and that it will be increasingly the basis of much legislation and public administration in the future. The Supreme Court of the United States and other courts have often laid down the rule that all corporations are created and are allowed to exist and do business primarily for the benefit of the public, and that the profit of the corporators must be secondary. A corporation receives a portion of the public sovereignty for its creation and immunity and privilege. Without such grant of sovereignty it could not exist or move or have any being. This is presumed to be first for the public welfare, as it is and must be; so that it is our duty, in a bill like this, to properly provide for such machinery as will insure the public having its just rights and privileges. This is not with any hostility to corporations, but with a sincere desire to have them properly fulfill the functions of their being, by which they live and flourish.

There is a fear that we have impaired individual initiative and individual rights. We have done the best we could not to infringe upon the provisions of the Constitution of the United States protecting individual rights to our citizens, and especially the provisions of this bill do not interfere with the personal initiative of the citizen.

We realize that the great progress of this country has come from the wonderful personal initiative of the American citizen, and we want that force continued, to increasingly grow, for the general welfare of the people, as well as for the welfare of the individual himself. We realize it has developed our industries, our resources, our people, and made our Nation the wonder of history. We wish to preserve this splendid power which has made the United States what it is. At the same time we want these men who have accomplished so much and are capable of so much to realize that there is a responsibility upon them as American citizens, that they receive a part of the blessings of our institutions, and that they must yield something and do something for the common welfare and not try to grab it all for themselves. It is with that view that we Republicans have approached the consideration of this measure. I believe it has been the right thing to do. We have done it as Representatives of the people of the United States, desirous of assisting in a genuinely constructive measure which should be the basis for the blessings of an industrial, economic, social, and political freedom, advancement, and prosperity for generations to come. [Applause.]

I reserve the balance of my time.

Mr. ADAMSON. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. HULL, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 15613) to create an Interstate Trade Commission, and had come to no resolution thereon.

SPEAKER PRO TEMPORE FOR TO-NIGHT.

The SPEAKER. The Chair appoints the gentleman from Tennessee, Mr. MOON, to preside as Speaker pro tempore for to-night.

RECESS.

Mr. ADAMSON. Mr. Speaker, is it necessary to make a motion to recess under the rule?

Mr. GARRETT of Tennessee. Mr. Speaker, before the Speaker rules on that, I think I should say that the Committee on Rules deliberately fixed the rule so that the House should take the recess without a motion, and I think the rule is mandatory on the House, just as it is on the Committee of the Whole.

The SPEAKER. The Chair is inclined to believe that is so under the rule, and, in accordance with the resolution, the House will stand in recess until 8 o'clock to-night.

Accordingly (at 5 o'clock and 17 minutes p. m.) the House stood in recess until 8 o'clock p. m.

EVENING SESSION.

The recess having expired, the House, at 8 o'clock p. m., resumed its session and was called to order by the Speaker pro tempore [Mr. MOON].

INTERSTATE TRADE COMMISSION.

The SPEAKER pro tempore. Under the rule adopted to-day the House will resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bills referred to in the rule, the particular bill under consideration being H. R. 15613, to create an interstate trade commission, to define its powers and duties, and for other purposes, and the gentleman from Tennessee [Mr. HULL] will take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 15613, with Mr. HULL in the chair.

Mr. ADAMSON. I would like the gentleman from Minnesota [Mr. STEVENS] to proceed if he is so disposed.

Mr. STEVENS of Minnesota. Mr. Chairman, I yield 20 minutes to the gentleman from Oklahoma [Mr. MORGAN].

Mr. MORGAN of Oklahoma. Mr. Chairman, as some of you know, I am somewhat of an enthusiast in favor of the creation of a Federal trade commission. I have the honor of having introduced into this House the first bill to create a Federal commission with jurisdiction and power over our industrial corporations. That bill was introduced on the 25th of January, 1912. Even in the campaign of 1910 I said in many of my speeches that such a commission should be created. I spent a very considerable time in study and investigation in the preparation of that bill. The number of it is House bill 18711, and it was introduced in the Sixty-second Congress. The bill covers the entire subject, giving the commission very extensive power and jurisdiction.

On the 20th of February, 1912, I delivered in this House a carefully prepared speech giving an outline of the provisions of the bill and strongly urging the necessity of such a commission. So far as I have been able to ascertain, that was the first speech delivered in the House of Representatives advocating the creation of a Federal trade commission. This was before any political party had indorsed the proposition. Since that time the Republican and Progressive Parties have specifically indorsed the proposition in platform declarations, and President Wilson, a Democratic President, has by special message recommended the creation of such a commission. I naturally take some pride in the fact that a measure which I was the first to initiate in this House and which I was the first to openly advocate on the floor of this House has now received the approval of the three great political parties and will no doubt soon be crystallized into law. I expect to vote for this bill. My criticism of the bill is not for what it does contain, but for what it does not contain. In other words, the bill does not give the commission sufficient power to make it a regulative body that will accomplish the best results. In 1912, when the Republican convention met at Chicago, it declared in favor of creating a Federal trade commission. This bill does not go so far as the Republican platform would justify, but I am glad that the Republican Party was the first to declare in favor of a Federal trade commission. But I want to congratulate the Democratic Party on adopting this measure, on assuming the responsibility of its enactment into law; and whether we give this commission at this time extensive power and jurisdiction or not, this measure, in my judgment, will be a landmark in the history of national legislation, and as long as your party shall endure you will refer to the creation of this Federal trade commission as one of the masterpieces of legislation for which your party is entitled to credit. [Applause.]

The Republican platform uses language something like this:

> In the enforcement and administration of Federal laws governing interstate commerce and enterprises impressed with a public use engaged therein there is much that may be committed to a Federal trade commission, thus placing in the hands of an administrative board many of the functions now necessarily exercised by the courts.

That platform does not say there is a little that may be committed to a Federal trade commission. It does not say that there are some things that may be committed to a trade commission, but it says there is "much" that may be committed to a trade commission. The platform further says, "thus placing in the hands of that commission many of the functions now exercised by the courts." The platform says "many functions," not a few functions, but many functions. I have the very highest respect and regard for the Republican members of the Interstate Commerce Committee. I recognize and admire their ability. In no way do I wish to reflect upon their work. But I submit that the power and jurisdiction given the trade commission in this bill is not such as is demanded in the language of the Republican platform.

Mr. J. R. KNOWLAND. Will the gentleman yield for a moment?

Mr. MORGAN of Oklahoma. Certainly.

Mr. J. R. KNOWLAND. My colleague must remember the Republican members on that committee were decidedly in the minority. We were not framing the bill.

Mr. MORGAN of Oklahoma. That point is well taken, and I, of course, feel sure that if the Republican members had been the majority of that committee and had the responsibility of framing this legislation that the commission would have been given much additional power.

A FEDERAL TRADE COMMISSION.

I have prepared a summary of the uses to which a Federal trade commission may be put and the things for which such a commission is needed. This summary is as follows:

1. To aid the courts in the dissolution, disintegration, and reorganization of unlawful corporations.
2. To aid in the enforcement of antitrust laws.
3. To do the work of investigation, recommendation, and publicity now assigned to the Bureau of Corporations.
4. To aid without legal proceedings, but with legal authority, through conference, negotiation, and mediation, in the readjustment of business in harmony with the law.
5. To control the practices and business methods of large industrial corporations.
6. To reenforce, restore, and maintain competition as the chief price regulator, and, if necessary for the public welfare, to exercise a limited direct control over prices.
7. To minimize the power of the large industrial corporation to concentrate wealth, and to maximize its power as an agency for the equitable distribution of wealth.
8. To enable us to secure all the benefits and advantages of the large industrial unit and escape the evils and dangers thereof.
9. To relieve doubt and uncertainty in business, develop trade, encourage commerce, and promote enterprise.
10. To secure labor the highest wage, the largest amount of employment under the most favorable conditions and circumstances.
11. To allay public suspicion and distrust, remove prejudice, and secure the people from unjust tribute levied by monopolistic corporations.
12. To promote industrial peace and thereby contribute to social justice, industrial strength, commercial power, and business prosperity.

Now, I believe that the time has come when the Federal Government should exercise very great control over our large industrial corporations. I listened this afternoon with a great deal of interest and pleasure and with much profit to the speech made by the gentleman from Maryland [Mr. COVINGTON] and to the speech made by the gentleman from Minnesota [Mr. STEVENS], and yet I could not help but feel that they were too conservative, if you will allow that term; that they were not moving up to what the country expected; that they were inclined to postpone and delay and put off any effective action. Now, what is the fact? Nearly 24 years ago the Sherman antitrust law was enacted. What law since that time has been placed upon the statute books that gives to the Federal Government any additional power to control or regulate the practices of our great industrial corporations? Not one. What has been done by Congress in these 24 years to curb the trusts? Nothing. I believe that our courts and our Attorneys General through the various administrations have done the best they could. During all these years concentration has been going on. Our corporations have become larger, our industrial units have become greater. It is true that under the decisions rendered by our Supreme Court some of our largest corporations have been dissolved, but the units into which they have been dissolved are still exceedingly large corporations. Take the American Tobacco Co. One of them has, I think, $97,000,000 of capital and another $67,000,000, and so on. The United States Steel Corporation has $1,400,000,000 of capital. And so we have these great business combinations. Great capital, extensive organization, a large business are not necessarily objectionable. We must have large business concerns to meet commercial conditions. We can not stand still. We must grow; we must look for expansion in the future; we must expect and desire that our business interests shall continue to grow at home and expand abroad; we must have large industrial units to meet and compete with the great business organizations of other countries who are competing with us in our own country and in the markets of the world. So I submit that the chances are that in the future our business organizations must continue large.

Now, I claim, however, that these large business concerns necessarily possess large monopolistic power. I do not believe, with two or three great corporations having capital and wealth beyond the comprehension of man, with their immense business organization extending out into every State and district and

county in the Union, that competition between those concerns means effective competition. And so, according to my theory, it is necessary when the business concern is large to throw around that business power of the Federal Government or else that concern will have large monopolistic power. And I mean by that monopolistic power that it will possess the power which will enable it, in a large degree, to arbitrarily control the prices of its products. So I believe, for the protection of the people, it is necessary that we should have some kind of governmental control that will regulate the practices and business methods of our large industrial concerns. So I am disappointed in this bill that it does not give the commission adequate power. While I earnestly urge that the commission be given largely increased power, I still believe that the commission should be created even if it only has the power as given in this bill, namely, to secure proper reports, annual and otherwise; to assist in the dissolution of corporations; to investigate the violations of the law in specific cases; and the power to follow up the work of the courts and see that these corporations, when dissolved, shall live up to the decree of the courts. All this will be useful and helpful, and I will be glad to see it done.

WEALTH OF OUR CORPORATIONS.

Mr. Chairman, Government reports show that our corporations have $92,000,000,000 in stocks and bonds. If the great corporations own $92,000,000,000 worth of stocks and bonds, that must represent half the wealth of this country. The report of the Commissioner of Internal Revenue shows that these corporations upon that $92,000,000,000 have a net profit of nearly 4 per cent annually. So that a large amount of wealth is in the hands of corporations, and it is centered in large corporations, with the wonderful power of drawing something from every home in the land.

The instrumentalities used in commerce and trade have changed, but our laws have not changed. Interstate business is largely under control of the gigantic business concerns—great corporations—mammoth industrial organizations, wielding incomprehensible power in the business and commercial world. This power under proper control may be used for the glory of our country, or unrestrained it may be used for the exploitation of the public and oppression of the people.

Few people realize to what extent the corporations control the business of this country. Few persons fully comprehend how these great corporations now touch every avenue of trade, commerce, and business, receive tribute from every avocation, calling, and profession of life, and draw support and sustenance from every home and fireside in the land.

The corporations of the country, after deducting all the cost of labor, material, losses, and every other expense, made an annual net profit of $3,213,247,000. Industrial and manufacturing corporations alone make an annual net profit of $1,309,819,000. They employ 7,000,000 persons, and their annual products are worth $21,000,000,000. The corporations of the country, by a conservative estimate, own one-half of the wealth of the Nation. Probably not one-tenth of the people own any interest in these corporations. The corporation is a great business invention which has aided steam and electricity as mighty forces in the production of wealth and in the extension of commerce.

The great problem now before us is to make these corporations better instruments for the equitable distribution of wealth. We have emphasized the problem of producing wealth. The time has come to give greater attention to its proper, fair, and equitable distribution among the great masses of our producers and consumers.

Mr. J. M. C. SMITH. Will the gentleman yield for a question?

Mr. MORGAN of Oklahoma. Certainly.

Mr. J. M. C. SMITH. Would you have the commission given power to regulate the affairs of all corporations?

Mr. MORGAN of Oklahoma. I would not, because I believe it is only large corporations that possess monopolistic power.

Mr. J. M. C. SMITH. At what place would you give them that right—as to the amount of their capital stock or the amount of business done? How would you describe "big business," as you call it?

Mr. MORGAN of Oklahoma. In the bill which I prepared I fixed the limit at concerns which do an annual business to the value of $5,000,000. I place it upon the amount of business transacted and not on their capital stock.

Mr. J. M. C. SMITH. So that the corporation that did a business of $4,500,000 would not be controlled, and the one that did a business of $5,500,000 would be under the control of the Government?

Mr. MORGAN of Oklahoma. If my bill becomes a law, only the large concerns would be subject to its provisions. I would have no objection to amending it so as to bring in a larger number. But I think it would be unwise to undertake to strictly control small concerns. Monopoly is the evil we wish to control. Competition is the thing we wish to maintain. In the realm of small business, when competition is abundant, there is no demand for Federal control. These may be left to State control.

Mr. WILLIS. Will the gentleman yield?

Mr. MORGAN of Oklahoma. I will yield.

Mr. WILLIS. Does not the gentleman admit, then, that this bill, in one respect at least, goes further than his bill? He understands, according to the terms of this bill, by the power of classification, the Interstate Trade Commission will have the authority to regulate and control to some extent the business of a corporation without regard to the capital stock.

Mr. MORGAN of Oklahoma. I doubt the propriety of the commission to do that, although there are some reasons for it, I recognize.

Mr. J. M. C. SMITH. The gentleman is making a very instructive argument, and I would like to inquire of him whether he can tell us how many corporations there are in the United States with a capital stock of $5,000,000 and over?

Mr. MORGAN of Oklahoma. I will say to the gentleman that there are something like 268,000 corporations, I believe, in the United States, according to the report made by the Commissioner of Internal Revenue. My idea was, as I figured it out, that, measured by their products of $5,000,000, there would be something like 300 corporations placed under my bill. I think the gentleman from Maryland [Mr. COVINGTON] estimated that there would be something like 1,300 corporations brought under the supervision of the commission by this bill and required to make reports.

Mr. PETERSON. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Oklahoma yield to the gentleman from Indiana?

Mr. MORGAN of Oklahoma. I will yield to my colleague from Indiana.

Mr. PETERSON. Does the gentleman approve the proposition of classifying——

Mr. ADAMSON. Mr. Chairman, the gentlemen use such soft tones in their conversation that we can not hear them. We know that the gentleman from Ohio [Mr. WILLIS] can readily be heard with his resonant voice, but we can not hear the other gentlemen. I would like to be able to hear them.

Mr. PETERSON. We have such a modest audience that we thought they ought to be able to hear our modest voices.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. STEVENS of Minnesota. Mr. Chairman, I yield 10 minutes to the gentleman.

The CHAIRMAN. The gentleman from Oklahoma is recognized for 10 minutes.

Mr. MORGAN of Oklahoma. Now I yield to the gentleman.

Mr. PETERSON. I want to know if the gentleman approved the classification that is made in this bill of two classes—one of $5,000,000 and the other less?

Mr. MORGAN of Oklahoma. I see no serious objection to that provision.

Mr. PETERSON. Is the gentleman aware of the fact that at the time of the supposed dissolution of the Standard Oil Co. its capitalization was $1,000,000, and that immediately upon the reorganization of one of its subsidiary companies it reorganized with a capitalization of $30,000,000, and in two years paid a dividend of 750 per cent on $30,000,000?

Mr. MORGAN of Oklahoma. I was not aware of that.

Mr. PETERSON. In view of that, would you not say it would be more advisable to fix the classification upon the assets of the corporation than on the capitalization?

Mr. MORGAN of Oklahoma. My idea is that it would be better to fix it upon the output, and perhaps the capitalization—both combined.

Mr. TALCOTT of New York. Is it not true that at the time the gentleman from Indiana [Mr. PETERSON] speaks the surplus of the Standard Oil Co. was very large?

Mr. PETERSON. It certainly was.

Mr. BARKLEY. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Oklahoma yield to the gentleman from Kentucky?

Mr. MORGAN of Oklahoma. Yes.

Mr. BARKLEY. The gentleman is aware of the fact that this classification would not prevent an investigation, whether the corporation was capitalized at less than $5,000,000 or over? The commission can make an investigation of corporations of less than $5,000,000 as well as those with more than $5,000,000?

Mr. MORGAN of Oklahoma. I believe so. I wanted to give an idea of the way and manner in which we should undertake to control the practices of corporations. Now, it is evidently proper to prohibit a few acts that are well known to be improper. We can make a few prohibitions, but you will never control the large concerns of this country by a few prohibitions, by prohibiting one or two or three or four or five things. In some way you must enact a general law that will include classes of acts which are improper. I have attempted to do this in my bill, and I want to present these provisions in my bill.

FAIR, JUST, AND REASONABLE PRACTICES.

The Federal Government long ago entered upon the policy of controlling the practices of industrial corporations engaged in interstate business. The Sherman antitrust law controls the practices of such corporations. That law forbids the doing of certain things. When we prohibit corporations from doing certain things we thereby assume the right to control the practices and methods of such corporations. So far, however, the law only prohibits certain acts. We have not fixed any standard by which the business methods of such corporations shall be judged. There are those who seem to think that we should confine our legislation to statutory provisions prohibiting industrial corporations from doing this or that thing. It is well enough to prohibit certain acts—to make certain things unlawful—but we should do more than this. We should by law promulgate a rule of business morality, create a standard by which the methods and practices of industrial corporations shall be judged. I have attempted to do this in section 4 of House bill 1890. This section is as follows:

SEC. 4. That every practice, method, means, system, policy, device, scheme, or contrivance used by any corporation subject to the provisions of this act in conducting its business, or in the management, control, regulation, promotion, or extension thereof, shall be just, fair, and reasonable and not contrary to public policy or dangerous to the public welfare, and every corporation subject to the provisions of this act in the conduct of its business is hereby prohibited from engaging in any practice, or from using any means, method, or system, or from pursuing any policy, or from resorting to any device, scheme, or contrivance whatsoever that is unjust, unfair, or unreasonable, or that is contrary to public policy or dangerous to the public welfare, and every act or thing in this section prohibited is hereby declared to be unlawful.

These great business corporations should not be permitted in conducting their business to engage in practices, use methods, or resort to devices that are not just, fair, and reasonable. Big business should have a high standard of business ethics. Whether corporations have souls or not, they should be compelled, in the management of their business and in all means, methods, schemes, devices, and contrivances used for the enlargement and extension of such business to keep clearly within the bounds of the principles of sound morality. While I believe the business of this country is, in general, conducted along lines of high moral principles, Congress might well promulgate a new code of business ethics for the guidance of the managers of the great industrial corporations.

JUST AND FAIR TREATMENT TO THE PUBLIC AND COMPETITORS.

Section 5 of House bill 1890 supplements section 3 in fixing a standard for our industrial corporations to follow in dealing with the public. Think of it. At the present time there is no law except the Sherman Antitrust Act which in any way limits, restricts, regulates, or controls the business methods of industrial corporations. So long as they do not violate some general criminal statute or the provisions of the Sherman antitrust law, corporations may resort to all kinds of acts and practices which are unfair to competitors and inimical to the public. They may, with perfect impunity, treat competitors unfairly and discriminate against localities, and be guilty of all kinds of business immorality. And we are talking about big business—about corporations with immense capital—having a large degree of monopolistic power. Why not enact a statute which will crystallize the sentiment, the judgment, and the conscience of a nation into a rule of action for the guidance of these great business concerns in dealing with competitors and the public? This I have attempted to do in section 5 of my bill, which is as follows:

SEC. 5. That every corporation subject to the provisions of this act shall deal justly and fairly with competitors and the public, and it shall be unlawful for any such corporation to grant to any person or persons any special privilege or advantage which shall be unjust and unfair to others, or unjustly and unreasonably discriminatory against others, or to enter into any special contract, agreement, or arrangement with any person or persons which shall be unjustly and unreasonably discriminatory against others, or which shall give to such person or persons an unfair and unjust advantage over others, or that shall give to the people of any locality or section of the country any unfair, unjust, or unreasonable advantage over the people of any other locality or section of the country, or that shall be contrary to public policy or dangerous to the public welfare, and any and all the acts or things in this section declared to be unlawful are hereby prohibited.

This section is modeled after sections 2 and 3 of the act of February 4, 1887, entitled "An act to regulate commerce" (24 Stat. L., 379). The two sections are as follows:

SEC. 2. That if any common carrier subject to the provisions of this act shall, directly or indirectly, by any special rate, rebate, drawback, or other device, charge, demand, collect, or receive from any person or persons a greater or less compensation for any service rendered, or to be rendered, in the transportation of passengers or property, subject to the provisions of this act, than it charges, demands, collects, or receives from any other person or persons for doing for him or them a like and contemporaneous service in the transportation of a like kind of traffic under substantially similar circumstances and conditions, such common carrier shall be deemed guilty of unjust discrimination, which is hereby prohibited and declared to be unlawful.

SEC. 3. That it shall be unlawful for any common carrier subject to the provisions of this act to make or give any undue or unreasonable preference or advantage to any particular person, company, firm, corporation, or locality, or any particular description of traffic, in any respect whatsoever, or to subject any particular person, company, firm, corporation, or locality, or any particular description of traffic, to any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

Every common carrier subject to the provisions of this act shall, according to their respective powers, afford all reasonable, proper, and equal facilities for the interchange of traffic between their respective lines, and for the receiving, forwarding, and delivering of passengers and property to and from their several lines and those connecting therewith, and shall not discriminate in their rates and charges between such connecting lines.

These provisions in the "act to regulate commerce," with supplemental legislation along the same line, have resulted in driving from the railway transportation business by far the greater part of the practices and methods of railway corporations, about which for a long time there was so much just complaint. There is now little complaint of unfair discrimination as between individuals or sections of the country.

In other words, the provisions in the act creating the Interstate Commerce Commission, which I have quoted, under the administration of the Interstate Commerce Commission, have resulted in the main in giving to the public just and reasonable rates, to individuals and localities equality of charges, and to all impartial privileges and facilities.

May we not fairly conclude that by promulgating similar fundamental rules of action for the guidance of our mammoth industrial corporations, and by creating a like commission to administer and enforce these rules of action, we may expect equally good results upon the methods and practices of our great industrial institutions?

POWER OF COMMISSION TO MAKE REGULATIONS.

One paragraph in section 9 of House bill 1890 is as follows:

The commission is hereby authorized and empowered to make and establish rules and regulations not in conflict with the Constitution and laws of the United States to aid in the administration and enforcement of the provisions of this act, and may, by such rules and regulations, prohibit any particular or specific act or acts, practice, method, system, policy, device, scheme, or contrivance that is contrary to any of the provisions of this act.

Under this provision of the bill the commission not only has power to make rules and regulations to aid in administering and enforcing the provisions of the bill, but may by such rules and regulations prohibit any particular or specific act, practice, method, system, policy, device, scheme, or contrivance which is contrary to any of the provisions of the act.

It will be well for Congress to prohibit any known act or practice hitherto indulged in by corporations, by which the public has suffered, but it is safe to say Congress will cover by enactment only conspicuous abuses. The commission should therefore have power to prohibit by rule things which are contrary to the general rules enunciated by the law. Congress acts with deliberation. It takes time to enact laws. The commission can act quickly. Besides, the corporations may adopt new practices which are offensive. If they are contrary to the broad rules of action, enunciated by the law, the commission may quickly make a rule that will make the practice unlawful.

This is the plan adopted in creating the Interstate Commerce Commission. You may talk about giving this commission power, and you may say there is little power given to the Interstate Commerce Commission. Yet when we created the Interstate Commerce Commission we did declare that the practices and charges of the railroad company should be reasonable. We did declare against discriminations. We did make general rules that should control our transportation corporations thereafter.

Mr. ADAMSON. Mr. Chairman, will the gentleman allow me to make a suggestion?

The CHAIRMAN. Does the gentleman yield?

Mr. MORGAN of Oklahoma. My time is nearly up, but I will yield.

Mr. ADAMSON. I will yield as much time to the gentleman as I take up.

Mr. MORGAN of Oklahoma. I shall be glad to yield

Mr. ADAMSON. The gentleman is aware of the fact that our purpose in the preparation of this bill was to establish an instrumentality, leaving the Congress to enact in the future as many general laws as the wisdom of Congress might dictate. There may be many or there may be few, but such a law as the gentleman suggests or any others may be enacted to be administered through this instrumentality when it is established. Many of them are now pending before our committee. Among them is one to establish a general antifraud law, patterned after the British honest-tradesmen law. That will apply to all frauds practiced in interstate commerce in any line of business. We propose that as one of the laws that should be enacted after this commission bill should be passed. Now, I will ask the gentleman if those suggestions will not help to forward his idea?

Mr. MORGAN of Oklahoma. I think so, and I have not any doubt but what from time to time those things will come and will give the commission additional power; but I think we ought to begin in advance of where you are beginning.

Mr. ADAMSON. If the gentleman will pardon me, I will say that it is not a question of power vested in the commission by this bill. We are establishing it and clothing it with power. It is a different thing from considering what general laws we may enact to be administered. We shall consider those other things apart from the establishment of this commission as an institution and instrumentality.

Mr. MORGAN of Oklahoma. I understand very well; but, as I understand it, the success that has followed the administration of the law which brought the Interstate Commerce Commission into existence has not come by our enactments, except in so far as those enactments have given additional power to that commission.

Mr. ADAMSON. Now, if the gentleman will pardon me, as he has made that analogy, let him follow it. That commission was instituted as an incident to the act to regulate commerce. The law to regulate commerce was first drawn without any proposition in it for a commission. The commission was put in as an incident to it. Then the commission having been established at the same time that the first interstate-commerce act was passed, we have followed that up by the enactment of many laws since that time, and every few years we revise the act to regulate commerce; but it is something distinct from the commission itself. The commission has been instituted, and Congress passes the laws which are enforced by the commission.

Mr. MORGAN of Oklahoma. But here is what you did: In that very act Congress declared general powers and control over the charges and practices of railroad corporations. They said, even in the first act, that if any individual, municipality, or certain public officers of a State made complaint before that commission the offending corporation should be notified and have a hearing, and the commission would then make an order; and thus it became a real, regulative force and power; and it was not so much the law as it was the fact that this great commission had the power to summon the offending railroads before it and give those railroads their orders.

Mr. ADAMSON. And every time in the future when Congress enacts a general law pertinent for this Interstate Trade Commission to administer, that fact will be noted in the law, and the Interstate Trade Commission will be authorized to proceed to execute that act, just as in this case it is authorized to look into existing law.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. ADAMSON. I want to yield to the gentleman three minutes, to make up for the time which I occupied in the interruption.

The CHAIRMAN. The gentleman is recognized for three minutes.

Mr. MORGAN of Oklahoma. Just one more point. I believe that the Attorneys General of previous administrations have exercised, and that the present Attorney General is now exercising, a power and control over the business interests of this country that the Executive ought not to exercise. I believe it is unsafe for an administration in power, an administrative officer representing a great political party, to hold the power of life and death over the great business interests of this country. And instead of giving additional power to the Attorney General we should, as the gentleman from Maryland [Mr. COVINGTON] said this afternoon, create a great, independent, nonpartisan commission, independent of the President, independent of Cabinet officers, removed so far as possible from partisan politics, that would command the respect and confidence of all parties and of all the people of the Nation. It never was intended that the Attorney General should have great business concerns come to his office and negotiate from time to time upon what conditions they shall do business. The committee, in their report on this bill, quote from what Attorney General Harmon said, I believe in 1896, in substance that he believed the proper course for the Attorney General is to work in the courts, that the Attorney General should not be an investigating committee, that such work ought to be left to an independent source; and yet we are multiplying our laws, we are adding additional statutes, we are prohibiting this and that, thus throwing upon the Attorney General more work, more power over business, offering greater temptation to use this power in aid of a political administration. What I say is not particularly applicable to the present Attorney General or the administration in power. Whatever we do in regulating business should be removed as far as possible from political influence.

It will be far safer to place this power in the hands of a great independent commission that will go on while administrations may change. That is one reason why I believe in having all these matters placed, so far as they can be, in the hands of a commission, taking these business matters out of politics. I believe that the great masses of the business interests of this country are in favor, not of a commision to investigate, but of a trade commission with power to give orders, with power to advise, with power to confer, with power to mediate, with power to direct the honest business interests of this country along the right pathway. I believe the hearings before the committee showed that to be what business men want and what consumers and producers want. I certainly should regret to have any vote that I cast here injure the business interests of this country; but I believe that legislation along this line is for business peace. I believe it will contribute to business prosperity; I believe that it will be for the benefit of the whole country. [Applause.]

WEALTH AND POWER OF CORPORATIONS.

In closing let me say that many of our industrial corporations are, in fact, though not in the eye of the law, public agencies, institutions that are impressed with a public use, and are in truth and in reality quasi-public corporations. We must in some way make a distinction between the gigantic corporations possessing large monopolistic power, and controlling the manufacture, sale, and distribution of the necessities of life, and the great majority of the smaller corporations which possess little, if any, monopolistic power, and which are in no way in a position to impose any great burdens upon the people through excessive prices. Out of nearly 300,000 industrial corporations in the United States perhaps 300 to 500 would cover all the industrial corporations which really possess such monopolistic power as to be able to injure any great part of the public through the possession of monopolistic powers. Let us separate the sheep from the goats. Let free competition, untrammeled by governmental control, reign among our lamblike industrial corporations, but let us bring all other corporations under the yoke of governmental control.

The great corporations largely control the productive forces of our country. The wealth produced naturally flows into the corporations. As I have already pointed out, measured by the stocks and bonds they have issued, our corporations own $92,000,000,000 of our national wealth. This is more than double the $41,000,000,000 at which all our farms and farm property is valued. Seventy-two billion dollars of wealth is owned by two classes of our corporations—that is, transportation and communication corporations and manufacturing corporations.

The census of 1910 shows that one-third of our manufacturing establishments employ 90 per cent of the 7,000,000 wage earners in these establishments and produce 95 per cent of all our manufactured products. In round numbers, 10 per cent of our manufacturing establishments employ three-fourths of the labor in such establishments and produce four-fifths of the product.

One per cent of our manufacturing establishments employ one-third of the labor, and produce nearly one-half of our manufactured products.

I do not believe in Government control of private business. I do not believe that would ever be necessary. All progress would cease if we should destroy the incentive for individual initiation, for individual effort and energy. But corporations are artificial persons. When they attain a certain size, and acquire large control over the production of a product in common use, they cease to be strictly private concerns. They have become impressed with the public use, they have become public agencies and quasi-public corporations, and as such should be placed under the supervision and control of our Federal Government.

Mr. STEVENS of Minnesota. Mr. Chairman, with the permission of the gentleman from Georgia [Mr. ADAMSON], I will

yield such time as he may desire to the gentleman from California [Mr. J. R. KNOWLAND].

The CHAIRMAN. The gentleman from California [Mr. J. R. KNOWLAND] is recognized for such time as he may desire.

Mr. J. R. KNOWLAND. Mr. Chairman, after the very able presentation of the provisions of this bill this afternoon by the gentleman from Maryland [Mr. COVINGTON] and the gentleman from Minnesota [Mr. STEVENS], my colleagues on the subcommittee which framed this bill, I do not feel that I should consume much time this evening in a discussion of the merits of the measure. I happen to be the only member of the Committee on Interstate and Foreign Commerce who is not of the legal profession, and I might say that that accounts, of course, for the even-balanced legislation which so frequently emanates from that committee. [Laughter.]

I shall support this bill. It is perhaps the first recommendation of President Wilson during this session of Congress that I have been able to support. [Applause on the Democratic side.] I support it also because it is in conformity with, as has already been stated, a plank in the Republican national platform, and I might add parenthetically that we Republicans believe that our party declarations "are not molasses to catch flies," and always endeavor to live up to our party platforms. We do not seek excuses for repudiating party planks. I do not go quite so far as the illustrious Secretary of State, who declares that a man who violates the party platform is a criminal, but I do contend, like the Speaker of this House, that a party platform means something.

The gentleman from Minnesota [Mr. STEVENS] this afternoon made reference to the trade-commission plank of the Republican platform of 1912, but he did not read it. In view of the fact that reference has also been made to it this evening, I think it might be well for me to read it into the RECORD:

> In the enforcement and administration of Federal laws governing interstate commerce and enterprises impressed with a public use engaged therein there is much that may be committed to a Federal trade commission, thus placing in the hands of an administrative board many of the functions now necessarily exercised by the courts. This will promote promptness in the administration of the laws, and avoid delays and technicalities incident to court procedure.

A reading of this declaration discloses that the pending bill does not go quite as far as the plank in the Republican national platform, but it is in harmony with the spirit of that plank, and being in harmony with the spirit of the plank, as a Republican, I certainly feel bound to support the bill now before us.

The Democratic Party has announced a very ambitious program along the line of antitrust legislation. I do not pose as a prophet, but I want to make the prediction that this will be the only bill of the group that will become a law during the present session of Congress. Well-posted Democrats believe this, although they can not so publicly state. The others will probably pass the House, but will never be acted upon by the Senate. If this be true, and only the pending bill becomes a law, as I have predicted, in my judgment we will have a measure that will be welcomed, not only by the people generally, but will meet with the approval of every honest business man throughout the United States, and I speak from the standpoint of a business man. The other bills contain much of merit but need amendment.

Mr. ADAMSON. Mr. Chairman, will the gentleman yield?

Mr. J. R. KNOWLAND. I will.

Mr. ADAMSON. I wish to congratulate the country on the prospect of the gentleman from California coming to the Senate and improving the expedition of that dignified body in the near future. [Applause.]

Mr. J. R. KNOWLAND. I thank the distinguished Democrat, the gentleman from Georgia, for that kind reference and indorsement, for it may prove very serviceable in the coming campaign. [Laughter.]

One of the best provisions in this bill is that providing for publicity. Many of us realize the fact that in many instances business concerns resort to certain doubtful practices because followed by their competitors, but if they knew that these practices had to be reported to a commission, and that the commission had the power to give the facts to the public, it would prove a very potent deterrent.

It is true, as already stated, we had before our committee numerous witnesses, many of whose names are known throughout the length and breadth of the country—the Hon. Seth Low; Herbert Knox Smith, former Commissioner of Corporations; the president of the University of Wisconsin, Dr. Van Hise; and others whose names are as familiar to the people of this country. They practically all favored a measure along these lines. Some would go further than the committee saw fit to go, and others would not go quite as far. But, in my judgment, this conservative measure can not be objected to by anyone who conducts an honest business. It is not so radical as to disturb business conditions, which everyone realizes are far from satisfactory throughout the country.

Our Democratic friends are boasting of their achievements since they assumed control of every branch of the Government. They boast particularly of having forced through their tariff bill, in whose wake they promised would come prosperity and reduced cost of living. No one can be found who has located that prosperity, and every housewife in the Nation knows that the cost of living has been soaring under this beneficent Democratic tariff.

Briefly, the bill provides for the appointment of an interstate trade commission, to be composed of three commissioners to be appointed by the President and confirmed by the Senate. Not more than two of the commissioners shall be members of the same political party. The commissioners shall receive a salary of $10,000 a year. Upon the organization of the commission all existing powers, authority, and duties of the Bureau of Corporations and of the Commissioner of Corporations are to be vested in the commission. When directed by the President, the several departments and bureaus of the Government shall furnish the commission, upon its request, all records, papers, and information in their possession relating to any corporation, subject to any of the provisions of the act.

It appears that in time past there have been jealousies in various departments and bureaus, and at times it was difficult to obtain information from one department of great value to another in work of investigation.

Under the further provisions of the bill every corporation engaged in commerce, excepting corporations subject to the acts to regulate commerce, which, by itself or with one or more other corporations owned, operated, controlled, or organized in conjunction with it so as to constitute substantially a business unit, has a capital of not less than $5,000,000, or, having a less capital, belongs to a class of corporations which the commission may designate, shall furnish annually to the commission such information, statements, and records of its organization, bondholders, stockholders, and financial condition, and also such information, statements, and records of its relation to other corporations, and its business and practices while engaged in commerce as the commission shall require. The commission may also prescribe a uniform system of annual reports, containing all the required information and statistics for the period of 12 months ending with the fiscal year of each corporation's report, and they shall be made out under oath or otherwise and filed with the commission at its office at Washington within three months after the close of the year for which the report is made, unless additional time be granted. The commission may also require such special reports as it may deem advisable.

Penalties are provided for failure to file said annual reports. A fine of $100 for each and every day that the corporation shall be in default is provided.

Facts relating to any alleged violations of the antitrust laws by any corporation shall be investigated by the commission upon the direction of the President, the Attorney General, or either House of Congress.

The commission in its report may include recommendations for readjustment of business in order that the corporation investigated may thereafter conduct its business in accordance with law. Reports made after investigation under this particular section may be made public in the discretion of the commission.

It was anticipated that in the course of investigations made by this commission information might be obtained concerning certain unfair competition or practices not necessarily constituting a violation of existing law, and that when such practices were disclosed report shall be made to the President to aid him in recommendations to Congress for legislation.

Any person under the act who willfully makes a false entry or statement in any report submitted shall be guilty of a misdemeanor, and upon conviction subject to a fine of not more than $5,000 or to imprisonment for not more than three years, or both fine and imprisonment.

Annual report shall be made to Congress by the commission, which will furnish facts and statistics of value in the determination of questions connected with the conduct of commerce of corporations. The reports shall also include recommendations as to additional legislation deemed necessary.

Provision is made for the safeguarding of all trade secrets and private lists of customers.

These in brief are the provisions of the pending bill. Personally I believe this bill should be passed and the law accorded a fair trial and that it will work out satisfactorily. It is far better to enact a measure of this kind, conservatively drafted, than to attempt more radical legislation.

Those of us who have been Members of this body for a number of years know that the interstate-commerce law is an evolution. It began with a basis such as we have in the pending bill, and as it was tried out and the necessities arose the commission came to Congress and additional powers were asked for, and Congress responded in nearly every instance. This bill will furnish a basis. If it is found not to be sufficiently comprehensive, if it needs to be made more drastic, the commission can come to Congress and ask for legislation, and I have always found in my experience here that this body is responsive to any legitimate request from any bureau or department of this Government. I hope that the Republican side of the House will support the measure. Let us give it a fair trial. If it is found that we should go further and enact legislation more in line with the Republican platform, it will not be unlikely that we as Republicans will then be in a better position to formulate such legislation. [Applause.]

Mr. ADAMSON. Has the gentleman from Minnesota any speaker that he can yield to at the present time?

Mr. STEVENS of Minnesota. Yes; but I thought the gentleman from Georgia was to yield to some one.

Mr. ADAMSON. I am considerably ahead in time so far. If the gentleman has no other speaker, there is one that we own jointly, who is to divide his time between the two sides.

Mr. STEVENS of Minnesota. Perhaps our colleague from New Hampshire [Mr. STEVENS] should be recognized. I yield the gentleman 15 minutes.

Mr. ADAMSON. If he is ready, I think he ought to go ahead; and I yield him 15 minutes, so he must treat the two sides fairly. [Laughter.]

[Mr. STEVENS of New Hampshire addressed the committee. See Appendix.]

Mr. FESS. Will the gentleman yield there?

The CHAIRMAN. The time of the gentleman from New Hampshire has expired.

Mr. FESS. I hope the gentleman from Minnesota will give the gentleman from New Hampshire a little more time.

Mr. STEVENS of Minnesota. I can not. My time is all promised. Mr. Chairman, I yield 20 minutes to the gentleman from Illinois [Mr. HINEBAUGH].

The CHAIRMAN. The gentleman from Illinois [Mr. HINEBAUGH] is recognized for 20 minutes.

Mr. HINEBAUGH. Mr. Chairman and gentlemen, I think possibly I ought to say that I shall probably vote for all three of these bills [applause], although I sincerely hope that at least two of them will be amended.

Mr. Chairman, three great problems confronted the Democratic administration when it rubbed its eyes after a profound sleep of 16 years and awoke to the startling fact that somehow and through some kind of ledgerdemain, it had been intrusted with power, and correspondingly burdened with responsibility. The effect was not unlike that which amazed and dumfounded Rip Van Winkle when he awoke from his long sleep. The Democratic Party had served a useful purpose as a party of opposition for a good many years, but they had threatened to shoot for such a long, long time that when the actual command was given to fire it is not at all surprising that they missed the mark at which they had been aiming since the days of Grover Cleveland.

Please do not misunderstand me, gentlemen. I do not mean to say that the Democrats are not full of good intentions, for that they certainly are; but you know Shakespeare tells us that hades is completely paved with the same thing. But be that as it may, we must admit that under the able leadership of President Wilson and the courteous, broad-minded gentleman from Alabama [Mr. UNDERWOOD], they went at their job tooth and toe nails. They were so anxious to swat the robber tariff of the standpat Republicans that they locked the doors of the Democratic caucus room so tight that even a Progressive Member of the House could not peep in and see what they were doing, much less were we allowed to give any advice, notwithstanding the well-known fact that we represent the second party in numerical strength and importance in the Nation. And right at this point, Mr. Chairman, the Democrats fell down. For had they invited the Progressives into their caucus and listened to our counsels, the Republican calamity howlers and the Democratic prosperity shouters would not now be straining their vocal cords and bursting their lungs to tell the country what it already knows much better than they possibly can know, while the Sergeant at Arms continues to hand them their pay checks.

In spite of all this, our little band of Progressives has enjoyed many a drowsy, sleepy hour while you have been at this job, as though your political lives were about to be demanded by the people, evidently not knowing that the day has gone by when you can fool the people with the tariff as a political issue. The people intend to remove the tariff from politics in 1916 and make it what every honest man knows it always has been—a purely local, economic, business question. They intend to do this by entrusting the Progressive Party with power to do the things for which it stands and in which a large majority of the people believe. When that glad time comes, and come it surely will, there will be no more wholesale tinkering with the tariff. A scientific expert tariff commission, with full and complete information, will handle the tariff, item by item, as conditions warrant, and business will no longer be disturbed by a long period of waiting and uncertainty.

The Democratic Party, after gumming up the tariff machinery of the country with a too liberal application of their revenue tariff oil, applied at random and without intelligent consideration as to just what parts of the tariff machine needed their kind of oil; after doing all that by main force, they plunged recklessly into the field of banking and currency reform. The Republican Party, after its palsied efforts at currency legislation, is now estopped from making any noise about the Democratic policy and could only say in sorrowful accents, "You are stealing our Aldrich plan." It must be admitted, however, that some of their progressively inclined members voted right, after the Progressives in the House had assisted the Democrats in framing a fairly good law. If the Democratic majority had been wise enough to accept half the suggestions and amendments offered by the Progressives the result would have been much better and the question finally settled for many years to come. But here, again, Mr. Speaker, the Democrats apparently refused to be guided by the Progressives, although they are indebted to us for their fleeting tenure of office, and for a second time during their administration dashed from their lips the cup of future success.

And now the Democratic Party enters upon the consideration of the third, last, and most important of the three gigantic issues with which they had to deal, namely, the trusts. [Applause.] How do they approach this great question? In their Baltimore platform they said:

> A private monopoly is indefensible and intolerable.

Just here I wish to remind the Democratic Party that Mr. Taft in 1909 said:

> The woolen and cotton schedules in the Republican tariff bill are indefensible and intolerable.

Yet he subsequently signed the Aldrich tariff bill, and still later attempted to defend it. Beware, my Democratic brethren, or history will repeat itself. In your Baltimore platform you also said:

> We demand the enactment of such legislation as may be deemed necessary to make it impossible for a private monopoly to exist in the United States.

Is your program of antitrust legislation so far-reaching?

What else did you say? You said:

> We condemn the action of the Republican administration in compromising with the Standard Oil and the Tobacco Trusts.

Again I say, beware, or your Attorney General will compromise you with his reorganization agreements as a cure-all for the wrongs which you have pledged the people to right.

It does not, however, lie in the mouth of any Republican to criticize the Democratic program on trust legislation. With your hats off, clothed in sackcloth and ashes, you Republicans should approach this subject keeping step to the funeral march of lost opportunity, and with bowed heads and contrite hearts you should repeat in low and mournful tones the words of that sad, yet beautiful, poem entitled "Opportunity":

> Master of human destinies am I!
> Fame, love, and fortune on my footsteps wait.
> Cities and fields I walk; I penetrate
> Deserts and seas remote, and passing by
> Hovel and mart and palace, soon or late
> I knock unbidden once at every gate!
> If sleeping, wake; if feasting, rise before
> I turn away. It is the hour of fate,
> And they who follow me reach every state
> Mortals desire and conquer every foe
> Save death; but those who doubt or hesitate
> Condemned to failure, penury, and woe
> Seek me in vain and uselessly implore.
> I answer not, and I return no more!

"If sleeping, wake." You certainly were sleeping, lulled to rest by an unseen power. "If feasting, rise before I turn away." Oh, the irony of fate! You surely were feasting, and upon such meat, furnished by the invisible government, that your stomachs were gorged and your brains dazed; so dazed that President Roosevelt was compelled to lash you unmercifully

with the whip of public sentiment in order to secure the passage of the Hepburn railroad bill, now unanimously acknowledged to be a righteous law. You were asleep on the Constitution, and when prodded into wakefulness you would rouse up and mumble plethorically: "It can't be done. It can't be done. It's unconstitutional." You had 16 years of continuous uninterrupted opportunity to respond to an insistent public demand on this great question and you failed and refused to grasp the opportunity, but with an air of supercilious nonchalance you adopted the slogan "The people be damned." And now the people have condemned you to failure and woe, and though you seek them in vain and uselessly implore, they answer not and will return to you no more. [Applause.]

Ah, yes; you agreed with a great captain of industry who loudly proclaimed the doctrine that you "can not unscramble eggs." Nevertheless you have lived to see the son of that same man come into camp and lay down his arms at the feet of Woodrow Wilson.

The father said, "The public be damned; you can not unscramble eggs." But in less than five years the son proceeds, apparently at least, to unscramble the eggs, and resigns from the directorate of more than 30 corporations in response, as he declares, to a righteous public sentiment which has recently been strongly against the old system of interlocking directorates.

Shortly after the J. P. Morgan Co. had announced its supposed surrender to public sentiment on the subject of interlocking directorates I introduced House resolution 364, which reads as follows:

Whereas it has been reported in the press of the country that the financial world was "startled to its depths" by the announcement of Mr. J. P. Morgan that the firm of J. P. Morgan & Co. had resigned from the directorates of some 30 corporations, among which are the following: New York Central & Hudson River Railroad Co., Lake Shore & Michigan Southern Railway, and the Michigan Central Railroad Co.; and

Whereas Mr. Morgan is reported as saying that these resignations were made possible by the change in public sentiment, which has recently been strongly against the old system of interlocking directorates; and

Whereas the New York Central system, through its board of interlocking directors, controls the Lake Shore & Michigan Southern Railway and also the Michigan Central Railroad Co.; and

Whereas the New York Central owns and controls 89 per cent of the stock of the Michigan Central Railroad Co. and 90 per cent of the stock of the Lake Shore & Michigan Southern Railway; and

Whereas the board of directors of the New York Central system is composed of the following 13 men: William K. Vanderbilt, Marvin Hewitt, W. K. Vanderbilt, jr., George S. Bowdin, William H. Newman, Chauncey M. Depew, Frederick W. Vanderbilt, William C. Brown, Louis Cass Ledyard, James Stillman, William Rockefeller, J. P. Morgan, and George F. Baker; and

Whereas these 13 men hold 112 separate and distinct positions as directors in the New York Central, Michigan Central, Lake Shore & Michigan Southern, and other subsidiary lines; and

Whereas interlocking stock control confers all the powers which actually come from interlocking directorships; and

Whereas under the present system there is no honest competition between parallel railroad lines; and

Whereas the only purpose of legislation prohibiting interlocking directorates is to bring about a healthy and honest competition in the interest of the public between these great transportation companies: Therefore be it

Resolved, That the Interstate Commerce Commission be, and it is hereby, directed to investigate and report to this House—

(a) The relations of railroad companies forming the so-called New York Central system and its subsidiary lines.

(b) The influence, if any, of the interlocking directorates of the New York Central system, including the Michigan Central Railroad Co. and the Lake Shore & Michigan Southern Railway, upon railroad costs, service, and rates.

(c) The influence and effect, if any, of interlocking stock control upon railroad costs, service, and rates, as applied to the New York Central system and its subsidiary lines, including the Michigan Central Railroad Co. and the Lake Shore & Michigan Southern Railway.

My purpose in asking the House to direct the Interstate Commerce Commission to investigate and report to Congress the influence and effect of interlocking directorates upon railroad costs, service, and rates was to ascertain the true conditions and the actual effect, if any, upon railroad costs, service, and rates of interlocking directorates, and because I believed then and still believe that interlocking directorates is but one of the many symptoms of a disease which lies far deeper, and because I believed then and believe now that the dissolution of interlocking directorates will by no means remedy the evils of our present system. Such an investigation by the Interstate Commerce Commission and such a report would have furnished to the Congress an excellent foundation upon which proper legislation could have been framed to remedy existing evils.

Mr. Chairman, it does not require an expert to understand that where a majority of the stock of a railroad corporation or any other corporation is divided between two or more different corporations conducting the same line of business or traversing the same territory a gentleman's agreement to harmonize action is very likely to result.

Any physician will tell you that to cure a disease you must treat more than one of the symptoms.

A law which prohibits interlocking directorates will not reach the bottom if railroads or other corporations are permitted to own or control the stock of an actual or possible competitor. Perhaps the most efficient vehicle used by naturally competing railroad lines for the purpose of hoodwinking the public is the holding company. The Pennsylvania Co. is an excellent illustration. It does not actually own a mile of railroad track and yet operates the Pennsylvania Railroad Co. and all of its leased and controlled subsidiary lines west of Pittsburgh.

The friends of the holding company tell us the only purpose of such an organization is to hold the securities of railroad companies, and that such companies are very desirable as a means of equalizing the risks of investments for small stockholders. Whether or not that contention is true, it must nevertheless be admitted that the tremendous power of the holding company for centralizing and concentrating control renders it a dangerous and most undesirable part of the present system. Everybody knows that the policy of a railroad corporation is not determined by the bondholders, but by the stockholders. The stockholders alone have the right and the power, generally speaking, to vote, and a majority of the stock determines the right of control. There may be, and doubtless are, many instances where the stock of a corporation is held by 10,000 stockholders and among those 10,000 one stockholder owning 5 per cent of the entire stock. Does anyone doubt that this one man could determine the policy of his company against the combined position of all the rest of the stockholders?

The control of stock gives the power to name the board of directors, and the board of directors determines the course a railroad is to pursue in its business policy. The general effect of such a system can be seen in controlled traffic and the power to determine the earnings of the various lines operated by the system.

For many years the Republican Party, which placed the Sherman antitrust law upon the statute books of the Nation, was urged to make that law more effective, and by amendment or supplementary legislation to define more clearly its true meaning, in order that the business man engaged in interstate commerce might certainly know when his acts were in violation of law. The Republican Party refused to create an interstate trade commission and to strengthen the Sherman law by an act to prevent unfair competition. Through all these years the Republican Party insisted that the Sherman law was all sufficient to protect commerce against monopolies, when, as a matter of fact, the apparent effect of the Sherman law was to hasten the concentration of industry by driving the trust organization to the holding company and from that to complete merger of naturally competitive lines of business. This, of course, was exactly the opposite result from that which was intended by the framers of the Sherman law.

In spite of all this, a condition of lethargy seems to have settled down upon the Republican Party. They refused to keep step to the progress of the age, and went out of power forever, the victim of lost opportunity.

THE DEMOCRATIC PLAN.

The Democratic plan in dealing with this great question is founded upon the declaration in their platform that private monopoly is indefensible and intolerable. And now for the third and last time the Progressive Members of this House respectfully call the attention of the Democratic majority to the three bills introduced by the Progressive leader, the gentleman from Kansas [Mr. MURDOCK], on the 17th day of last November, covering this most important subject.

These measures were introduced for the purpose of carrying into effect the declarations in the National Progressive platform adopted in Chicago August 7, 1912. In that platform we declared for a strong national regulation of interstate corporations, and to that end for the establishment of a strong Federal administrative commission of high standing, which shall maintain permanent, active supervision over industrial corporations engaged in interstate commerce, or such of them as are of public importance, doing for them what the Government now does for the national banks, and what is now done for the railroads by the Interstate Commerce Commission. We declared that—

Such a commission must enforce the complete publicity of those corporate transactions which are of public interest; must attack unfair competition, *false capitalization*, special privilege; and, by continuous trained watchfulness, guard and keep open equally to all the highways of American commerce. Thus the business man will have certain knowledge of the law and will be able to conduct his business easily and in conformity therewith, the investor will find security for his capital, dividends will be rendered more certain, and the savings of the people will be drawn naturally and safely into the channels of trade. Under such a system of constructive regulation legitimate business, freed from confusion, uncertainty, and fruitless litigation, will develop

normally in response to the energy and enterprise of the American business man.

Our first bill intended to carry into effect our platform pledges provides for the creation of an interstate trade commission, empowering such commission to require from all corporations subject to its jurisdiction information as to their organization, conduct, management, security holders, financial condition, and business transactions, in such degree and in such form as the commission may require; and to require from such corporations access at all reasonable times to their records, books, accounts, papers, and all other documents including the records of any of their committees; to point out and make public from time to time, in such form as in the discretion of the commission best advances fair, honest, and efficient business, all cases of material overcapitalization, unfair competition, misrepresentation, or oppressive use of credit of which any corporation may have been guilty, and present such case to the Attorney General for prosecution.

Our second bill is intended to prohibit and prevent unfair competition, and empowers and directs the interstate trade commission to prevent all corporations subject to its jurisdiction from engaging in or practicing unfair or oppressive competition in relation to the acceptance or procurement of rates or terms of service from common carriers not granted to other shippers under like conditions; prevents discrimination in selling prices, as between localities or individuals, which is not justified by differences in cost of distribution; prohibits the making of oppressive, exclusive contracts for the sale of articles of which the seller has a substantial monopoly; prevents the maintenance of secret subsidiaries or secretly controlled agencies, held out as independent of the corporation and used for the purpose of unfair competition; prevents the destruction of competition through the use of interlocking directorates; and any other business practices involving unfair or oppressive competition.

The third bill empowers the interstate trade commission, upon its own initiative or upon the complaint of any corporation or person, to investigate the organization, conduct, and management of any corporation subject to its jurisdiction for the purpose of determining whether such corporation exercises a substantial, monopolistic power in any industry in which said corporation is engaged; and empowers and directs the commission to determine by investigation whether such monopolistic power is based upon:

a. Control of natural resources,
b. Control of terminal or transportation facilities,
c. Control of financial resources,

or any other economic condition inherent in the character of the industry.

These bills, if enacted into law, would remedy the evils of which we now complain, and would result in the immediate dissolution of the New York Central, New Haven, Pennsylvania, Baltimore & Ohio, Erie, and Chesapeake & Ohio, the six great railroad systems covering the eastern part of the United States which now own and control 57 railroads through intercorporate or individual ownership of stock. The necessity for drastic legislation which will prohibit the use of transportation companies for stock-jobbing purposes must be admitted by all who have given the subject careful consideration.

The St. Louis & San Francisco Railroad system was placed in the hands of a receiver last June because of its alleged inability to take up $2,500,000 of its 5 per cent notes. Investigation of the Frisco system developed some startling facts. It had an authorized capital of $200,000,000; its total paid-up stock was $49,000,000; its total bond issue, $320,000,000; the gross earnings of the system for the year 1912, $42,000,000; its net earnings only $12,000,000. It had sold within three years $72,000,000 worth of bonds, and within six months of the time application was made for a receiver these stock-jobbing pirates, under the leadership of B. F. Yoakum, had unloaded $26,000,000 of bonds in France, and in spite of all of this were unable to meet obligations amounting to only $2,500,000. The Interstate Commerce Commission, by its investigation, developed the amazing fact that over $40,000,000 had been pocketed by these financial sharks before they took the initial steps to bring about a reorganization of the company. Upon the heels of the Frisco receivership came the New Haven slaughter, very properly called by Senator NORRIS "its twin in infamy," through which millions of dollars were taken from more than 10,000 people, among whom were many widows and orphans.

Mr. Chairman, the evil practices which resulted in the wreck of these two railroad systems and the consequent financial ruin of thousands of their stockholders will never be stopped by the creation of a trade commission such as is proposed by our Democratic brethren. Why, even the New York World, which certainly can not be accused of any affection for the Progressive Party, in a recent editorial said:

President Wilson's trade commission is no more like the Roosevelt Progressive commission than the Constitution of the United States is like the code of Napoleon.

The real distinction between the proposed Democratic legislation on trusts and that proposed by the Progressive Party may be very well illustrated by comparing the interstate trade commission bill of the Democratic Party with the trade commission proposed by the Progressives.

The only purpose which the Democratic interstate trade commission will serve is that of news gathering for the courts and for Congress. Why should you limit the powers of your commission purely to matters of investigation if you really mean business? You got your idea of a trade commission from the Progressive platform, just as you did the presidential preference primary law. Why do not you put teeth into the trade commission by adopting our plan to define and punish violations of the law? Why do not you give your trade commission power to prevent unfair competition? When an unfair practice or violation of the law has been established by the commission, why not give that same body power to punish and prevent a repetition? The people are looking for results.

What do our Democratic brethren hope to accomplish by the enactment into law of House bill 15657, which is to be supplementary to existing laws against unlawful restraints and monopolies, after defining commerce as trade among the several States and with foreign nations and the word "person" or "persons" as including corporations and associations existing under the laws of the United States? Our Democratic friends fall into the old trap of technical legal construction, which usually renders nugatory almost any punitive statute.

Section 2 provides that any person engaged in commerce who shall, directly or indirectly, discriminate in price between different purchasers of commodities in the same or different sections of the country, providing such commodities are sold for use, consumption, or resale within the United States, or anywhere under the jurisdiction of the United States, shall be deemed guilty of a misdemeanor, and upon conviction shall be fined not exceeding $5,000 or imprisoned not exceeding one year, or both, in the discretion of the court—and then they provide the joker—the discrimination in price must be made "with the purpose or intent to thereby destroy or wrongfully injure the business of a competitor." In other words, the person injured must prove intent to wrongfully injure him—a thing practically impossible to accomplish. Under this section it would be practically impossible for the Government to secure a conviction.

It is provided in section 3 that the owner, operator, or person controlling the product of any mine engaged in selling its products to commerce shall not refuse arbitrarily to sell such product to any responsible person, firm, or corporation who wishes to purchase for use, consumption, or resale within the United States. Here again the Government must show, when undertaking to enforce this law, that the refusal was an arbitrary refusal.

Perhaps the most glaring example of insincerity in this entire bill is to be found in sections 8 and 9, in relation to intercorporate stock control of naturally competitive railroad lines and the prohibition of interlocking directors of banks and other corporations.

Section 8 prohibits corporations engaged in commerce from acquiring, directly or indirectly, the whole or any part of the stock or share capital of another corporation engaged in commerce (where the effect of such acquisition would eliminate, or substantially eliminate, competition between such corporations), and it further provides in the same section that "no corporation shall acquire, directly or indirectly, the whole or any part of the stock of two or more corporations engaged in commerce, where the effect of such acquisition or the use of such stock by the voting or granting of proxies would eliminate or substantially lessen competition between such corporations;" and then provides that the section shall not apply to corporations purchasing such stock solely for investment.

It does not require the learning of a lawyer to perceive that the Government must be able to prove that the acquisition of such stock would actually lessen substantially the competition between the corporations. It is not enough for the Government to show that such intercorporate stock control affects or lessens competition between the corporations, but it must also be shown that it substantially affects such competition. Do you imagine that with the shrewd railroad manipulator on the other side the Government could ever prove such a case? Why not take the bull by the horns and absolutely prohibit intercorporate stock ownership or control?

This section was doubtless intended to abolish the holding company. Why then nullify its effect by providing that nothing contained in the section shall prevent a corporation engaged in commerce from causing the formation of subsidiary corporations for the actual carrying on of their immediate lawful business and that no railroad company shall be prohibited from extending any of its lines by the acquisition of stock or otherwise of any other railroad company when there is no substantial competition between such companies? The effect of such provisions is simply to invite an evasion of the very purpose of the law.

If you hope to accomplish real results, my Democratic friends, you must not only stop the practice of interlocking directorates, you must prohibit stock watering, voting trusts, holding companies, intercorporate stock control, individual interlocking stock control of naturally competing railroads and other lines of business, and, above all, there must be a complete and drastic reformation of the laws under which insolvent railroads and other industrial corporations are now permitted to affect a reorganization.

Mr. Chairman, I am firmly convinced that this character of legislation will never be enacted under our present system of secret caucus and executive committee session, under cover of which the property power in politics can wield such a tremendous influence without showing its hand. All men in public life know that up to 1907 the special interests politically had been on the defensive. Their determination to prevent legislation in the interest of the people was their chief purpose. Since that time, however, they have made an aggressive fight for legislation intended to multiply and perpetuate their advantages over the people.

Firmly entrenched behind high-tariff walls, as they have been for years, the special interests in politics had been content to grow through combinations of corporations, through holding companies and mergers, until in the year 1908 this monster of monopoly had a capitalization of $31,672,160,754, more than half of which was water. Then it was that they boldly entered the arena of legislation for the purpose of legalizing their watered stocks and compelling the people to pay dividends on their fictitious billions. This inhuman monster absolutely controls the market prices of everything the farmer sells, of everything the consumer buys, and in addition it controls transportation, manufacture, mining, capital, and credit. Under its deadly influence the Senate of Seward, Sumner, and Clay became the Senate of Foraker, Guggenheim, and Lorimer.

The decision of the special interests to compel the people to pay dividends on $15,000,000,000 of water had much to do with the high cost of living. It is now a well-known fact that this tremendous power was delighted with the Aldrich currency scheme, the Payne-Aldrich tariff law, the Taft-Wickersham railroad bill, and Canadian reciprocity. During this period Aldrich was supreme in the Senate by means of the closed committee and secret caucus. His control of the machinery of legislation was absolute, as was that of Cannon in the House.

The Progressives maintain that every standing committee shall be compelled to keep a record of its action; that the executive session shall be a thing of the dark and devious past; that there shall be no back doors to the Senate or the House; that the secret party caucus must be abolished; and that the business of the people must be transacted in the open.

Mr. Chairman, this evolution and revolution can never be realized by either the Democratic or Republican Party. They are both firmly embedded in the traditions and methods of the past.

A new party, free and untrammeled, clean, strong, and responsive to the new thought of the age, unembarrassed by traditions, unfettered by the system, must and will take up the people's cause and carry it forward to final triumph. [Applause.]

Mr. ADAMSON. Mr. Chairman, I confess that I do not often acknowledge a wrong, and when I do I am sorry for it. I am sorry I did the gentleman from Illinois the injustice to insist that he was not speaking on the subject. I overlooked the fact that he opened his able oration by saying that he was going to vote for the bill. I think that overbalances anything he could say against the bill, and I confess that I made a mistake, and I will not do it again. [Laughter and applause.] I would like very much to introduce to the committee the brilliant young Member from Missouri, the baby of our committee. He is a lusty infant, making progress rapidly. The older Members will have to look to their laurels or he will distance them. I now yield to the able, eloquent, and indefatigably industrious gentleman from Missouri, Mr. DECKER.

[Mr. DECKER addressed the committee. See Appendix.]

Mr. ADAMSON. Mr. Chairman, I hope the gentleman from Minnesota will use some time now.

Mr. STEVENS of Minnesota. I yield to the gentleman from Ohio [Mr. FESS].

Mr. FESS. Mr. Chairman, I do not rise to reply to my friend from Missouri [Mr. DECKER], for I appreciate very much most of what he said. I can not agree entirely with all that he said, for I take from his arguments that trusts and monopolies are fostered almost entirely by a protective tariff.

Mr. DECKER. Will the gentleman yield?

Mr. FESS. I will.

Mr. DECKER. I did not wish to convey that impression. I realize that there are other causes of trusts besides the tariff.

Mr. FESS. I am glad to hear that statement, because I do not want to direct my thought in that line, and I would be compelled to do so if that was his utterance.

I arise to state why I am going to support this measure. [Applause.] One distinguished publicist of our country expressed the genius of American movement industrially by announcing that equal opportunity in the rivalry of life is the distinguishing principle of activity, and anything that will interfere with this equal opportunity for you or me to rival one another in the pursuit of happiness ought to be subject to legislation. I have stood as an advocate of the principle that in trade natural law should be allowed to take its own course, unless there would be evils to grow out of it; that individual effort should be, as much as possible, unrestrained. But if individual effort interferes with public welfare, it must be regulated. And you can see that evils do grow out of trade taking its natural course, and, therefore, legal enactment must come in to interfere somewhat with the natural course. Once it was said that competition was the life of trade, and that statement stood as an industrial aphorism for years. Later on people said that in this keen, unlimited, unrestricted competition, competition becomes the dearth of trade, or the death of trade; and many of our authors point to incidents of paralleling of railroads, where one railroad almost entirely kills the prosperity of another, and therefore, they said, instead of competition being the life of trade it has come to be the death of trade. These two statements might be taken as the utterances of two schools of industrialism. I do not put it that way, but I express it in this way, that where combination is possible competition is impossible. In other words, combination is the refuge of those who seek to avert the evils of competition. And I announce it as a fundamental principle that where competing firms, represented by individual units, each one with its complete organization, are competing against one another these competing firms will continue in competition just so long as they can not combine, and the moment they can combine they will do so to avoid the necessity to compete.

Here in one section of the country is a unit in steel railway production; yonder in another part of the country is a second unit; here in another part is a third unit. Throughout the United States there are 200 units. They recognize that each unit has its own individual organization, which entails great expense. Each had to have its president and its directorate; each had to have provisions for its overhead charges, each one maintaining for itself an expensive organization. These companies came to the conclusion that they could supersede these 200 separate organizations by one corporation by a combination. They could have one organization, one president, and one directorate, and they could in this way reduce expenses, cut off needless expenditures, reduce prices, and increase profits; but by so doing competition would cease because combination became possible. In this way the United States Steel Corporation was organized. You have the Standard Oil Corporation, but not quite analogous, as it grew by its ability to prevent much competition. You have the American Tobacco Corporation, the Whisky Trust, the Salt Trust, the Shippers' Trust, and numerous other trusts throughout the country made up of combinations, because these could supersede competition. Wherever competitors became strong, a remedy was sought in combination. This is not due to tariff legislation; it is due to a law of trade.

Now, I had believed that so long as you could maintain competition without any interference at all with the rights of the people, probably it would be better to stand by the natural law and obey the dictates of President Jefferson when he said, "The best government is the one that governs the least."

The CHAIRMAN. The time of the gentleman has expired.

Mr. CANTOR. I ask that the gentleman's time be extended, Mr. Chairman.

The CHAIRMAN. The request is not in order, under the rule.

Mr. STEVENS of Minnesota. I yield five minutes more to the gentleman from Ohio [Mr. FESS].

Mr. FESS. I want to thank the gentleman in charge of the time and the Members of the House. I am speaking somewhat extemporaneously on a theme that I have thought a great deal about. And this is the proposition that I was about to announce: That, other things being equal, I would prefer the Government keep its hands off of the laws of trade. The modern tendencies of industry point to combination rather than competition. It finds its best expression in the term "big business." This tendency of the hour is the result of newer methods of business. It has called into being the famous organizations of enterprise and has brought to light the new captains of industry. The modern method of doing business will perhaps prove its worth by continuing its processes, for we will hardly go back to primitive methods. I think no one desires to return to the stagecoach; all prefer the modern twentieth century train.

But when it comes to the point where business interferes with the pursuit of happiness, by allowing individual or corporate property to interfere with public welfare or with the right of accumulating property for the purpose of the general welfare, as well as for individual profit, then the law must step in to either correct the wrong or prevent a repetition of it, or both. That would be legitimate. In the last 20 years we have seen the steps leading to the present business organization. First the pools, then the combination, then the holding company, and later the complete merger. We have noticed individual entities growing to such fabulous dimensions that you and I and many thoughtful citizens have become alarmed. I confess, as a citizen of this Republic, that when I realize how much wealth has come into the possession of an individual I am alarmed. I do not know how much the distinguished financier whose name is so frequently mentioned is worth, but it has been stated that he is worth at least $900,000,000. If that be true, it is simply bewildering. Nobody can comprehend it. Suppose that Adam, 6,000 years ago, had come into the world upon a salary of $100,000 a year, and suppose that he had not spent a single dollar of it——

Mr. CANTOR. On clothes [laughter]——

Mr. FESS. Suppose that he had saved $100,000 a year for 6,000 years. He would not now be worth more than two-thirds of what at least one American citizen is supposed to be worth. It would require $50,000 a year for 6,000 years for Eve's salary [laughter], added to Adam's, to make $900,000,000. [Laughter and applause.]

I tell you, my friends, when a statement of that kind can be made, that in a single lifetime a man who is still living, starting with nothing, as a poor boy, has accumulated beyond the most fanciful dreams of the wildest imagination; this wizard in finance comes to the point where he is worth such a fabulous sum, one must tremble at the thought of the possibilities involved. He might be a saint, and I am the last man to rise on the floor of this House and say unkind, cruel, and ugly words against anybody because he might possess wealth; but I say that the very fact that any one man has such tremendous power, financially, though he be an angel, makes me tremble, for I think what he might do with it for the injury of his fellow men if he wanted to use it in that way.

Mr. ADAMSON. If the gentleman will yield to me, I will give him a minute of time.

Mr. FESS. Very well.

Mr. ADAMSON. I want to say that on Saturday testimony was submitted to our committee that the profits of a pipe-line oil company in one year were 2,900 per cent on a capitalization of $1,000,000, and the next year they made 84 per cent profit on the $30,000,000.

Mr. FESS. Now, Mr. Chairman, when such a statement as that made by the distinguished chairman of the Committee on Interstate and Foreign Commerce is before us, I am of opinion that this Congress has the right to legislate in those matters. Therefore I believe that it opens a legitimate field of legislation. In such a case corrective legislation, though restrictive, is wise.

Mr. ADAMSON. Our committee is going after that proposition right now.

Mr. FESS. I believe that while we may see some danger in passing over to the proposed trade commission certain power, yet I believe that this trade-commission bill is merely supplemental; it adds to the laws that we now have. It does not interfere with their effectiveness, but rather assists, as I see it. It is an additional step toward doing what we have not been able to do thus far. I will say that, and if it is any honor to the Democratic membership of this House I, as a Republican, say it with congratulation to your side of the House. [Applause on the Democratic side.] And when I say it I trust that the Democratic membership of this House will also be willing to say that the Sherman antitrust law, a Republican measure, while it has been in some respects ineffective, has had a good effect on the whole, and has been a step in the right direction also. [Applause.]

I would hate to see the Sherman law repudiated. I would not want to subtract from it. Upon it has been built a body of decisions which are most valuable to the Nation. I would like to define it and make it clear, so that business men and business concerns may know whether they are within its requirements or without; and then I would like to add to the Sherman law a regulatory power that would make it possible for the commission to meet a single situation or individual incident where it is a violation of the Sherman antitrust law, that power being directed without throwing the country into an uproar by bringing it up here in the House or in the Senate. This commission can thus perform the function of a corrective without disturbing all business. That is why I have always been in favor of adjusting the tariff by a commission, rather than by bringing it before the Congress. While my Democratic friends do not agree with that, I believe that ultimately they will come to that position [applause] for the same reason they now indorse this Republican idea of an interstate trade commission.

I said a moment ago the Sherman law had not been effective in all matters, yet a glance at the history of its operations is sufficient to convince an unbiased citizen of the salutary influence on the country.

During the administration of Harrison 8 cases—5 by the Government and 3 by private parties—were initiated. During Cleveland's second term 18 cases—10 by the Government and 8 by private parties—were prosecuted. During McKinley's administration 17 cases—6 by the Government and 11 by private parties—were prosecuted. During Roosevelt's administration 44 cases were prosecuted. In President Taft's administration the major part of the work of the Department of Justice was taken up by prosecutions under the Sherman law. It would take a very bold man to declare that the Sherman law was a dead letter. On the other hand, the Republican administrations were so active in its enforcement that many good people were led to think the policy of the Government had come to be one of persecution rather than stimulation, of destructive application rather than constructive legislation.

Believing as I do in the principle of cooperation in business and readily seeing the advantage of the modern system of business organization, when kept within the law, I desire to preserve the Sherman law, and am willing to supplement it by a trade commission in line with the recommendation of President Taft and the Republican Party.

Therefore I am going to give my hearty support to this trade commission bill. [Applause.]

Mr. ADAMSON. Mr. Chairman, how does the time stand?

The CHAIRMAN. The gentleman from Minnesota [Mr. STEVENS] has 55 minutes remaining and the gentleman from Georgia has 66 minutes.

Mr. ADAMSON. Has the gentleman from Minnesota any other speaker?

Mr. STEVENS of Minnesota. Not here. The gentleman from Ohio [Mr. WILLIS] asked for time, but he does not seem to be here.

Mr. ADAMSON. I do not like to lose any time, Mr. Chairman, but although several gentlemen have asked for time no one seems to be ready to occupy the floor at this moment, and so I shall have to move that the committee rise.

The motion was agreed to.

The committee accordingly rose; and Mr. MOON having resumed the chair as Speaker pro tempore, Mr. HULL, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 15613) to create an interstate trade commission, to define its powers and duties, and for other purposes, and had come to no resolution thereon.

ADJOURNMENT.

Mr. ADAMSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 20 minutes p. m.) the House adjourned until Wednesday, May 20, 1914, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the assistant clerk of the Court of Claims, transmitting findings of fact and conclusions of law in the French spoliation claims relating to the brig *Little Sam*, in the case of Robert S. O. Griffith et al. against The United States (H. Doc. No. 987); to the Committee on Claims and ordered to be printed.

2. A letter from the assistant clerk of the Court of Claims, transmitting findings of fact and conclusions of law in the French spoliation claims relating to the ship *Hare*, in the case of Augustus W. Clason, administrator of Isaac Clason, against The United States (H. Doc. No. 988); to the Committee on Claims and ordered to be printed.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 14551) granting a pension to William J. Walker; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 14467) granting an increase of pension to Moses Goldstein; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 15945) granting an increase of pension to Lee Henning; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 16255) granting a pension to Herman Siegel; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 16507) granting an increase of pension to Frank Hemenway; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. WILSON of Florida: A bill (H. R. 16639) to amend section 5211 of the Revised Statutes of the United States, relating to national banking associations; to the Committee on Banking and Currency.

By Mr. REILLY of Wisconsin: A bill (H. R. 16672) to amend an act entitled "An act to increase pensions for total deafness"; to the Committee on Invalid Pensions.

By Mr. FERRIS: A bill (H. R. 16673) to provide for the development of water power and the use of public lands in relation thereto, and for other purposes; to the Committee on the Public Lands.

By Mr. NEELEY of Kansas: A bill (H. R. 16674) to provide for the purchase or supplying of equipment for rural mail carriers; to the Committee on the Post Office and Post Roads.

By Mr. RAINEY: A bill (H. R. 16675) to amend an act entitled "An act to provide ways and means to meet war expenditures, and for other purposes"; to the Committee on Ways and Means.

By Mr. LA FOLLETTE: A bill (H. R. 16676) providing for the building of roads in the diminished Colville Indian Reservation, State of Washington; to the Committee on Indian Affairs.

By Mr. EDWARDS: A bill (H. R. 16677) to stop payment of back salary accumulations to Members of Congress and others; to the Committee on Accounts.

By Mr. MANN: A bill (H. R. 16678) to protect the water supplies of cities and towns around the Great Lakes, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BURNETT: A bill (H. R. 16679) to authorize Bryan & Albert Henry to construct a bridge across a slough which is a part of the Tennessee River near Guntersville, Ala.; to the Committee on Interstate and Foreign Commerce.

By Mr. FLOOD of Virginia: A bill (H. R. 16680) providing for the appointment of secretaries in the Diplomatic Service and appointments in the Consular Service; to the Committee on Foreign Affairs.

By Mr. HOWARD: Resolution (H. Res. 520) authorizing the printing of certain hearings before Committee on Agriculture; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANTHONY: A bill (H. R. 16681) granting an increase of pension to William N. Cobb; to the Committee on Invalid Pensions.

By Mr. ASHBROOK: A bill (H. R. 16682) granting a pension to William C. Johnson; to the Committee on Invalid Pensions.

By Mr. BROUSSARD: A bill (H. R. 16683) for the relief of the heirs of Joseph Hernandez; to the Committee on War Claims.

By Mr. CAMPBELL: A bill (H. R. 16684) granting a pension to Oxley Johnson; to the Committee on Invalid Pensions.

By Mr. CLAYPOOL: A bill (H. R. 16685) to remove the charge of desertion from the military record of Harrison H. Wolfe; to the Committee on Military Affairs.

By Mr. CONRY: A bill (H. R. 16686) granting an increase of pension to Michael Collins; to the Committee on Invalid Pensions.

By Mr. CULLOP: A bill (H. R. 16687) granting an increase of pension to James Williams; to the Committee on Invalid Pensions.

By Mr. FRENCH: A bill (H. R. 16688) granting a pension to Frank Sanford Stirling; to the Committee on Invalid Pensions.

By Mr. KEATING: A bill (H. R. 16689) granting an increase of pension to Thomas Fox; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16690) granting an increase of pension to Sarah McGuire; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16691) granting an increase of pension to Hans P. Nielson; to the Committee on Pensions.

Also, a bill (H. R. 16692) granting an increase of pension to John A. Truelove; to the Committee on Pensions.

By Mr. MOSS of West Virginia: A bill (H. R. 16693) granting an increase of pension to Joseph L. Buckley; to the Committee on Invalid Pensions.

By Mr. NEELEY of Kansas: A bill (H. R. 16694) granting an increase of pension to William Cook; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16695) granting an increase of pension to William Gray; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16696) granting an increase of pension to Daniel B. Waggoner; to the Committee on Invalid Pensions.

By Mr. PALMER: A bill (H. R. 16697) granting a pension to William L. Carpenter; to the Committee on Invalid Pensions.

By Mr. PETERS of Maine: A bill (H. R. 16698) granting an increase of pension to Abner W. Fletcher; to the Committee on Invalid Pensions.

By Mr. SMITH of Idaho: A bill (H. R. 16699) for the relief of William Schuldt; to the Committee on Claims.

By Mr. STEENERSON: A bill (H. R. 16700) granting an increase of pension to Nels B. Olson; to the Committee on Invalid Pensions.

By Mr. STRINGER: A bill (H. R. 16701) granting an increase of pension to Ezra D. McMasters; to the Committee on Invalid Pensions.

By Mr. WHITE: A bill (H. R. 16702) granting a pension to Mary A. Harding; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16703) granting an increase of pension to Francis M. Fowler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16704) granting an increase of pension to Alexander C. Harper; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Resolutions of certain citizens of Pittsburgh, Pa.; Philadelphia, Pa.; Fedora, S. Dak.; McPherson, Kans.; Atlantic Highlands, N. J.; Portland, Oreg.; Chicago, Ill.; Amoret, Mo.; Hays, Kans.; and Saxonburg, Pa., protesting against the practice of polygamy in the United States; to the Committee on the Judiciary.

Also (by request) petition of the Common Council of Stamford, Conn., favoring Hamill civil-service retirement bill; to the Committee on Reform in the Civil Service.

Also (by request), petition of the Honolulu Merchants' Association, relative to the organization of the Regular Army; to the Committee on Military Affairs.

Also (by request), petition of the Philadelphia Yearly Meeting of Friends, favoring national prohibition; to the Committee on the Judiciary.

By Mr. ASHBROOK: Petition of Dan Grossup and 7 other citizens of Mount Vernon, Ohio, against national prohibition; to the Committee on the Judiciary.

By Mr. BAILEY: Petition of the Roxbury United Evangelical Church, Johnstown, Pa., favoring national prohibition; to the Committee on the Judiciary.

By Mr. BRITTEN: Petition of Chicago Photo-Engravers' Union, No. 5, favoring the Bartlett-Bacon anti-injunction bill; to the Committee on the Judiciary.

By Mr. BROWNING: Petition of 10 citizens of Woodbury Heights, N. J., favoring national prohibition; to the Committee on the Judiciary.

By Mr. CURRY: Petition by Rev. G. L. Pearson, superintendent of the Sacramento District, California Conference Methodist

Episcopal Church, of Sacramento, Cal., praying for the passage of the Hobson national constitutional prohibition resolution; to the Committee on the Judiciary.

Also, petition by the congregation of the Central Methodist Church, of Sacramento, Cal., with a membership of 300, praying for the passage of the Hobson national constitutional prohibition resolution; to the Committee on the Judiciary.

Also, resolution by Vallejo Trades and Labor Council, of Vallejo, Cal., with regard to the Colorado strike situation; to the Committee on the Judiciary.

Also, petition by Loyal Sons Bible Class, No. 609, of Sacramento, Cal., praying for the passage of the Hobson national constitutional prohibition resolution; to the Committee on the Judiciary.

Also, petition by 45 residents of Port Costa and Pittsburg, Contra Costa County, and Napa City and the Veterans' Home, Napa County, all in the State of California, protesting against the Hobson national constitutional prohibition resolution; to the Committee on the Judiciary.

Also, petition of 23 residents of Napa County, Cal., protesting against the Hobson national constitutional prohibition resolution; to the Committee on the Judiciary.

By Mr. DALE: Petitions of sundry citizens of New Jersey, against national prohibition; to the Committee on the Judiciary.

By Mr. DONOVAN: Petition of the Common Council of Stamford, Conn., favoring Hamill civil-service retirement bill; to the Committee on Reform in the Civil Service.

By Mr. ESCH: Petition of the Juneau County Sunday School Association, of Wisconsin, favoring national prohibition; to the Committee on the Judiciary.

By Mr. FESS: Petitions of 52 citizens of Ohio, favoring passage of House bill 5308, to tax mail-order houses; to the Committee on Ways and Means.

Also, petition of the Taliaferro Chapter, Daughters of the American Revolution, favoring House bill 4900, to erect a monument at Georgetown, Ohio, to U. S. Grant; to the Committee on the Library.

By Mr. GERRY: Petitions of 42 residents of Bradford; 25 residents of Bradford; the Rhode Island Federation of Women's Church Societies, representing 2,000 members; 22 residents of Coventry; 11 residents of Westerly; 19 residents of Coventry; the First South Kingston Baptist Church; the Advent Baptist Church, of Peace Dale; the Society of Friends, East Greenwich; Benjamin S. Tubman, principal Natick public schools; Rev. F. B. Murch, First United Presbyterian Church, of Providence; the Rhode Island Anti-Saloon League; Rev. F. M. White, Union Baptist Church, of Providence; Rev. T. T. Green, of Natick; Rev. J. S. Wadsworth, of Providence, all in the State of Rhode Island, urging the passage of legislation providing for national prohibition; to the Committee on the Judiciary.

Also, petition of 78 Swedish-American citizens of Cranston, R. I., urging an appropriation of $100,000 for erection of monument to memory of Capt. John Ericsson, designer and constructor of the *Monitor;* to the Committee on the Library.

Also, petitions of the Hanley-Hoye Co., of Providence; the William H. Grimes Co., Pawtucket; Palmer & Madigan, Providence; the Providence Brewing Co., of Providence; J. C. Joyce, Otto Baur, and George H. Cook, of Narragansett Pier; McKenna Bros., John J. McGuire & Co., the Five Sullivan Bros., and 379 residents, all in the State of Rhode Island, protesting against the passage of legislation providing for national prohibition; to the Committee on the Judiciary.

By Mr. GILMORE: Petition of sundry citizens of North Easton, Mass., favoring national prohibition; to the Committee on the Judiciary.

By Mr. GREEN of Iowa: Petition of the Cass County (Iowa) Medical Society relative to House bill 6282, the Harrison anti-narcotic bill; to the Committee on Ways and Means.

By Mr. GUERNSEY: Petition of sundry citizens of Maine, favoring national prohibition; to the Committee on the Judiciary.

By Mr. HAMMOND: Petition of the Woman's Christian Temperance Union and 13 other citizens of Fairmont, Minn., and 55 citizens of Jasper, Minn., favoring national prohibition; to the Committee on the Judiciary.

Also, petitions of 10 citizens of Mapleton, 57 citizens of Mankato, and 18 citizens of Cobden, all in the State of Minnesota, against national prohibition; to the Committee on the Judiciary.

By Mr. IGOE: Telegrams from S. Thomas Carroll, Victor E. Blume, Charles A. Bosse, P. T. Malloney, Thomas White, Edwin Stapleton, Robert Boat, Charles Bell, August Schulte, August Gruss, Richard Keenoy, J. St. Ledger Maher, Charles Lorenz, and Emil Gelhause, protesting against pending prohibition resolutions, as well as all similar measures, as being un-American and against all principles of American citizenship; to the Committee on the Judiciary.

Also, telegram and letters from the Con P. Curran Printing Co., Frank Winter, and J. W. Rowland, president Rowland Sheet Iron & Cornice Works, protesting against prohibition resolutions and all similar measures; to the Committee on the Judiciary.

By Mr. KALANIANAOLE: Petition of the Chamber of Commerce, Honolulu, Hawaii, relative to the organization of the Regular Army; to the Committee on Military Affairs.

By Mr. KEATING: Petitions of sundry citizens of Las Animas, Colo., favoring national prohibition; to the Committee on the Judiciary.

Also, petitions of sundry citizens of Colorado, against national prohibition; to the Committee on the Judiciary.

By Mr. KENNEDY of Connecticut: Petition of the Common Council of Stamford, Conn., favoring the Hamill civil-service retirement bill; to the Committee on Reform in the Civil Service.

By Mr. KENNEDY of Iowa: Petition of the Burlington District Methodist Episcopal Church, of Mount Pleasant, Iowa, favoring national prohibition; to the Committee on the Judiciary.

By Mr. KORBLY: Petitions of sundry citizens of Indiana, against national prohibition; to the Committee on the Judiciary.

By Mr. LONERGAN: Petition of the Common Council of Stamford, Conn., favoring passage of the Hamill bill for civil-service retirement; to the Committee on Reform in the Civil Service.

Also, protest of sundry citizens of Connecticut, against national prohibition; to the Committee on the Judiciary.

By Mr. MARTIN: Petition of sundry citizens of the third congressional district of South Dakota, against national prohibition; to the Committee on the Judiciary.

Also, petition of the South Dakota State Luther League, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of Fort Pierre, S. Dak., favoring woman's suffrage amendment; to the Committee on the Judiciary.

By Mr. NEELEY of Kansas: Petitions of 26 citizens of Barton County, Kans., against national prohibition; to the Committee on the Judiciary.

Also, petition of Great Bend (Kans.) Chapter, No. 1650, of the Epworth League of the Methodist Episcopal Church and the Haviland Quarterly Meeting of Friends, of Coldwater, Kans., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of F. R. Kraft, of Holyrood, Kans., against national prohibition; to the Committee on the Judiciary.

Also, petition of James Hadley, of Coldwater, Kans., favoring Federal censorship of motion pictures; to the Committee on Education.

Also, petition of sundry citizens of Cowley County, Kans., favoring House bill 2865, relative to pensions; to the Committee on Invalid Pensions.

Also, petitions by various Grand Army posts, women's relief corps, Spanish-American War soldiers, and divers and sundry veterans of the Civil War in Kansas, as well as soldiers' widows, all in behalf of House bill's 2865, 14747, and 14748, relative to pensions; to the Committee on Invalid Pensions.

Also, petitions from sundry citizens of Hoisington, Bushton, Olmitz, Otis, Nekoma, Claflin, Alexander, and Geneseo, all in the State of Kansas, relative to House bill 5308, to tax mail-order houses; to the Committee on Ways and Means.

By Mr. NEELY of West Virginia: Resolutions of the Preston County (W. Va.) Bar Association and Taylor County (W. Va.) Bar Association, expressing confidence in Hon. Alston G. Dayton, judge of the District Court of the United States for the Northern District of West Virginia; to the Committee on Rules.

Also, petition of sundry citizens of Adamston, W. Va., favoring national prohibition; to the Committee on the Judiciary.

By Mr. J. I. NOLAN: Petitions of the United Grocers' (Inc.) and the San Francisco Grocery Co., of San Francisco, Cal., against national prohibition; to the Committee on the Judiciary.

By Mr. O'HAIR: Petitions of sundry citizens of Illinois, against national prohibition; to the Committee on the Judiciary.

By Mr. O'LEARY: Petition of the Woman's Political Union of New York State, favoring woman-suffrage amendment to the Constitution; to the Committee on the Judiciary.

Also, petitions of sundry citizens of New York, against national prohibition; to the Committee on the Judiciary.

By Mr. O'SHAUNESSY: Petitions of sundry citizens of Rhode Island, favoring national prohibition; to the Committee on the Judiciary.

Also, petitions of sundry citizens of Rhode Island, against national prohibition; to the Committee on the Judiciary.

Also, petitions of F. E. Farnham, of Providence, R. I., and the Antisaloon League of America, Department of Rhode Island, against caucus action on prohibition amendment; to the Committee on the Judiciary.

Also, petition of the Congressional Union for Woman Suffrage and Woman Suffrage Party of Rhode Island, favoring woman-suffrage amendment; to the Committee on the Judiciary.

Also, petition of the Beaman & Smith Co., of Providence, R. I., against the Wilson omnibus bill relative to exclusive agencies; to the Committee on the Judiciary.

By Mr. PETERS of Maine: Petition of sundry citizens of Maine, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of Maine, against Sabbath observance bill; to the Committee on the District of Columbia.

By Mr. RAKER: Letters from 30 residents of California, protesting against national prohibition; to the Committee on the Judiciary.

By Mr. RAUCH: Petitions of sundry citizens of Indiana, against national prohibition; to the Committee on the Judiciary.

By Mr. REED: Petitions of Clarence E. Kelley and students of the Nute High School, of Milton, N. H., and Ernest Fox Nichols and two others from Dartmouth College, Hanover, N. H., protesting against intervention by the United States in Mexico; to the Committee on Foreign Affairs.

By Mr. SELDOMRIDGE: Petitions of various churches, representing 302 citizens of Fruita, 50 citizens of Colorado Springs, 45 citizens of Simon, 400 citizens of Rocky Ford, 50 citizens of Romeo, 70 citizens of Redvale, 60 citizens of Alamosa, 15 citizens of the Elco Woman's Christian Temperance Union, of Boulder, and sundry citizens of Cortez, Monte Vista, Eagle, and Mesita, all in the State of Colorado, favoring national prohibition; to the Committee on the Judiciary.

By Mr. STEPHENS of California: Resolution of the Realty Board of Los Angeles, Cal., protesting against Hobson prohibition amendment to national Constitution; to the Committee on the Judiciary.

Also, resolution from S. L. Smith, secretary Epworth League of Los Angeles, Cal., representing 2,500 voters, favoring national prohibition; to the Committee on the Judiciary.

By Mr. TREADWAY: Petition of sundry citizens of Massachusetts, against national prohibition; to the Committee on the Judiciary.

By Mr WEAVER: Petition of sundry citizens of Yale, Okla., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of Cigar Makers' Union No. 450, of Oklahoma City, Okla., against national prohibition; to the Committee on the Judiciary.

By Mr. WILLIS: Papers to accompany a bill (H. R. 16670) granting an increase of pension to James D. Carr; to the Committee on Pensions.

Also, papers to accompany a bill (H. R. 16669) granting a pension to Ethel Culver; to the Committee on Invalid Pensions.

By Mr. WILSON of New York: Petition of the First National Bank of Brooklyn, N. Y., against House bill 15657, relative to interlocking directorates of banks; to the Committee on the Judiciary.

SENATE.

WEDNESDAY, *May 20, 1914.*

The Senate met at 11 o'clock a. m.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we come to Thee day by day, knowing that human wisdom and human strength are not sufficient for human life. The great problems that confront us can never be solved in the light of common day. But Thou dost give to us to live our lives in a spiritual atmosphere, charged with tokens of Thy love and powers of Thy grace, and Thou dost come with Thy gentle ministry upon the hearts and minds of Thy people, leading them to fulfill a divine plan. Help us to-day to know the guidance of God and to submit our lives to Thy holy will, that we may fulfill all the commission that Thou hast put into our hands and measure up to the responsibilities of Christian statesmen. For Christ's sake. Amen.

NAMING A PRESIDING OFFICER.

The Secretary (James M. Baker) read the following communication:

PRESIDENT PRO TEMPORE, UNITED STATES SENATE,
Washington, May 20, 1914.

To the Senate:

Being temporarily absent from the Senate I appoint Hon. GILBERT M. HITCHCOCK, a Senator from the State of Nebraska, to perform the duties of the chair during my absence.

JAMES P. CLARKE,
President pro tempore.

Mr. HITCHCOCK thereupon took the chair as Presiding Officer for the day.

The Journal of yesterday's proceedings was read and approved.

INDIAN RESERVATION LANDS.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 4632) for the relief of settlers on the Fort Berthold Indian Reservation, in the State of North Dakota, and the Cheyenne River and Standing Rock Indian Reservations, in the States of South Dakota and North Dakota, which were, on page 1, line 4, to strike out "and directed"; on page 2, line 3, after "effect," to insert "the act of Congress approved May 27, 1910, entitled 'An act to authorize the sale and disposition of the surplus and unallotted lands in Bennett County, in the Pine Ridge Indian Reservation, in the State of South Dakota, and making appropriation to carry the same into effect,' and the act approved May 30, 1910, entitled 'An act to authorize the sale and disposition of a portion of the surplus and unallotted lands in Mellette and Washabaugh Counties, in the Rosebud Indian Reservation, in the State of South Dakota, and making appropriation and provision to carry the same into effect'"; on page 3, line 2, to strike out "said"; on page 3, line 2, after "lands," to insert "in said reservations"; and to amend the title so as to read: "An act for the relief of settlers on the Fort Berthold, Cheyenne River, Standing Rock, Rosebud, and Pine Ridge Indian Reservations, in the States of North and South Dakota."

Mr. CRAWFORD. I move that the Senate concur in the amendments of the House of Representatives. This is a bill in which my constituents are interested, as are also those of the Senator from North Dakota [Mr. MCCUMBER], and the amendments were made at the instance of the Representatives from those States.

The PRESIDING OFFICER. The question is on concurring in the amendments of the House of Representatives.

The amendments were concurred in.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 4096) to amend the act authorizing the National Academy of Sciences to receive and hold trust funds for the promotion of science, and for other purposes, which was, on page 2, after line 7, to insert:

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. SUTHERLAND. I move that the Senate concur in the House amendment.

The motion was agreed to.

CONSTRUCTION OF REVENUE CUTTERS.

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the amendment of the House No. 3 to the bill (S. 4377) to provide for the construction of four revenue cutters, insisting upon its amendment to the title of the bill, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. NELSON. I move that the Senate disagree to the amendments of the House of Representatives; insist upon its amendment to the amendment of the House No. 3; agree to the conference asked for by the House on the disagreeing votes of the two Houses thereon, the conferees on the part of the Senate to be appointed by the Chair.

The motion was agreed to, and the Presiding Officer appointed Mr. BANKHEAD, Mr. RANSDELL, and Mr. NELSON conferees on the part of the Senate.

HOUSE BILLS REFERRED.

The following bills were severally read twice by their titles and referred to the Committee on Military Affairs:

H. R. 5304. An act to increase the efficiency of the aviation service of the Army, and for other purposes; and

H. R. 9042. An act to permit sales by the supply departments of the Army to certain military schools and colleges.

The following bills were severally read twice by their titles and referred to the Committee on Indian Affairs:

H. R. 9899. An act to authorize the laying out and opening of public roads on the Winnebago, Omaha, Ponca, and Santee Sioux Indian Reservations in Nebraska; and

H. R. 10835. An act to authorize the Secretary of the Treasury to consolidate sundry funds from which unpaid Indian annuities or shares in the tribal trust funds are or may hereafter be due.

The following bills were severally read twice by their titles and referred to the Committee on Commerce:

H. R. 14189. An act to authorize the construction of a bridge across the Missouri River near Kansas City; and